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VERMILION PARISH SCHOOL BOARD

Abbeville, Louisiana

Financial Report

Year Ended June 30, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12/24/08

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KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*

Tynes E. Mixon, Jr., CPA
Allen J. LaBry, CPA
Albert R. Leger, CPA, PFS, CSA*
Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Marshall W. Guidry, CPA
Alan M. Taylor, CPA
James R. Roy, CPA
Robert J. Metz, CPA
Kelly M. Doucet, CPA
Cheryl L. Bartley, CPA, CVA
Mandy B. Self, CPA
Paul L. Delcambre, Jr., CPA
Wanda F. Arcement, CPA
Kristin B. Dauzat, CPA
Richard R. Anderson Sr., CPA
Carolyn C. Anderson, CPA

Retired:
Conrad O. Chapman, CPA* 2006
Harry J. Clostio, CPA 2007

* A Professional Accounting Corporation

P.O. Box 1055
Abbeville, LA 70511

Phone (337) 893-7944
Fax (337) 893-7946

OFFICES

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-6660

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

408 West Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddil St.
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

521 Main Street
Pineville, LA 71360
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE:
WWW.KCSRCPAS.COM

INDEPENDENT AUDITORS' REPORT

Mr. Randy Schexnayder, Superintendent,
and Members of the Vermilion Parish School Board
Abbeville, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Vermilion Parish School Board (the School Board), as of and for the year ended June 30, 2008, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the School Board, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 21, 2008 on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and important for assessing the results of our audit.

The management's discussion and analysis and the other required supplementary information on pages 4 through 15 and pages 59 and 60, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The other supplementary information on pages 64 through 89 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards (pages 95-96) is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations", and is also not a required part of the basic financial statements of the School Board. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
November 21, 2008

REQUIRED SUPPLEMENTARY INFORMATION (RSI)

VERMILION PARISH SCHOOL BOARD
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2008

Management's Discussion and Analysis (MD&A) of the Vermilion Parish School Board's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole. The reader should read this discussion in conjunction with the financial statements and the notes to the basic financial statements, which are all included in this report, to enhance their understanding of the Vermilion Parish School Board's financial performance.

The MD&A is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board (GASB) Statement No. 34 (Statement). Certain comparative information between the current year (2007-08) and the prior year (2006-07) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

It has been approximately three years since Hurricane Rita slammed into the Gulf Coast causing unprecedented damage to Vermilion Parish. As of the date of this report, extensive renovations have been completed, but reconstruction efforts continue into the 2008-2009 fiscal year. As a direct result of the storm, two schools were permanently closed beginning with the 2006-2007 school year.

Plans are underway to construct a new elementary school in the northern part of the parish. The new school will be called "LeBlanc Elementary School" and will have a capacity of 875 students. The facility will be financed primarily by FEMA reimbursements for the replacement of an elementary school in the southern part of the parish which was damaged by Hurricane Rita, and by a Community Development Block Grant intended to help in storm recovery.

In the 2007-2008 fiscal year, the parish was again hit by Hurricane Ike, which caused flooding damage to five schools. These facilities were immediately cleaned and all students were back in school within ten days of the storm.

No one could have imagined the degree of devastation that these storms could create. We are pleased to report that as of the date of this report, the Board's financial condition is strong.

The School Board's net assets increased by \$4.9 million from July 1, 2007 to June 30, 2008 as reported in the Statement of Activities on page 19. An analysis of the major revenues components is as follows:

Operating Grants – Operating grants and contributions for the Vermilion Parish School Board were \$18.2 million for 2007-08. This is a decrease of \$2.0 million from the previous 2006-07 fiscal year. This decrease is the direct result of a reduction in federal funding related to the Hurricane Rita recovery effort.

Minimum Foundation Program (MFP) – MFP is the funding formula from the state for school systems in Louisiana. The funding is based on a formula with many variables and two (2) basic levels of funding. Level one (1) funding is based on the number of students enrolled in the school system. Level two (2) funding is based on the dollar amount of local funding. The more local tax support received by a District, the more state support (MFP) we receive through level two funding. The School Board receives a 40 percent match in level two funding from the state for local funding exceeding an established minimum amount. The unrestricted portion of the MFP funding was \$39.4 million during 2007-08 as compared to 34.9 million for 2006-07.

Ad Valorem Taxes – Ad valorem taxes collected for general and specific purposes, and for debt services was \$9.9 million for 2007-08 compared to \$9.3 million for the previous 2006-07 fiscal year.

Sales Taxes – Sales tax collections were \$8.3 million during the 2007-08 fiscal year which represents a slight 1% increase from the prior year.

Rentals, Leases and Royalties – 16th section revenues, which include oil and gas leases and royalties, as well as surface rentals, totaled \$8.9 million for the 2007-08 fiscal year which represents a 102% decrease from the prior year's revenue of \$4.4 million.

General – The other revenues of the School Board remained relatively stable when compared to prior years.

The expenses of the School Board, as reported in the Statement of Activities, were \$83.9 million in 2007-08. The major expense components are as follows:

Salaries and related benefits - Salaries and related benefits are the School Board's largest expense items. Salaries and related benefits account for \$63.1 million or 75.2% of total expenses.

State Legislation provided that not less than 50% of each school district's increased State funding from the implementation of the MFP formula is to be used to supplement and enhance full-time certificated staff salaries and retirement benefits". The cost to implement this increase during the 2007-08 fiscal year was \$850,000.

As of April 25, 2002, the Board established a partially self-funded health insurance program which is being administered by United HealthCare, a third party administrator. On May 1, 2007, the beginning of the 2007-08 policy year and just before the beginning of the 2007-08 fiscal year, the premiums were increased by 3% for employee and for the Board. On May 1, 2008, the premiums were not adjusted. The School Board's contribution to the health insurance program increased from \$5.5 million in 2006-07 to \$5.7 million in 2007-08.

Operation & Maintenance of Plant Services – The cost of maintaining parish facilities increased from \$7.5 million in 2006-07 to \$7.7 million in 2007-08. This change represents a 3% increase over the prior fiscal year.

Facilities acquisition and construction – The Board spent \$1.2 million for facilities acquisition and construction which represents an increase of \$0.7 million from the previous year.

Debt Service Payments – The debt service activity remained relatively consistent with the previous year.

Capital Projects – Only one construction project was accounted for in the Capital Projects Fund during the 2007-08 fiscal year. The Board is in the process of constructing a new gymnasium at a parish middle school.

USING THIS FINANCIAL REPORT

This financial report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Vermilion Parish School Board as a whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's financial picture. Also included in the financial statements are the Fund Financial Statements, which report on governmental activities of the School Board.

These statements provide more detail than the government-wide financial statements about the services that were financed in the short-term as well as what remains for future spending in the School Board's more significant funds as well as all other nonmajor funds. The General Fund is Vermilion Parish School Board's most significant fund.

REPORTING THE SCHOOL BOARD AS A WHOLE

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities report information about the School Board as a whole and its activities in a way to try to inform the reader as to how the School Board did financially during the 2007-08 fiscal year.

In short, is the School Board better off financially or is it worse off financially than it was this time last year? These statements report all assets and liabilities of the School Board on the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School Board's net assets and the change in those assets. This change in net assets is important because it tells the reader that, for the School Board as a whole, the financial position of the School Board improved or declined. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors affecting the School Board include the state of the oil and gas industry, the parish's sales and property tax bases and the state and federal government's continued funding.

The Statement of Net Assets and the Statement of Activities report the governmental activities of the School Board. Most of the School Board's programs and services are reported here including instruction, support services, operating and maintenance of plant, student transportation, and child nutrition programs.

REPORTING THE SCHOOL BOARD'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the School Board's major funds begins on page 22. Fund Financial Statements provide detailed information about the School Board's major funds. The School Board uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School Board's most significant funds. The School Board's only major governmental funds for the 2007-08 fiscal year are the General Fund and the Special Federal Revenue Fund.

The Vermilion Parish School Board's non-major governmental funds for the 2008 fiscal year are the 1996 and 1998 Ad Valorem Tax Funds, the Titles I, II, III, IV and V Funds, the Education Excellence Fund, the IDEA Fund, the Pre-School Flow-Through Fund, the Federal and State Adult Education Funds, the School Lunch/Breakfast Fund, the Region IV Education Service Center fund, the TASC Fund, the TANF Fund, the Reading First Fund, the Debt Service Fund, Capital Projects Fund and the Trust Fund.

Governmental Funds

Most of the School Board's activities are reported as governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds' statements provide a detailed short-term view of the School Board's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds

On April 25, 2002, the School Board established a partially self-insured group health insurance program. A separate internal service fund was created to accumulate funds designated for the payment of health care claims, insurance and associated costs of school system employees, retirees and their covered dependants. The School Board has procured insurance with both a specific and aggregate stop loss. Transactions related to meeting the claims incurred in these areas are accounted for in the Internal Service Proprietary Fund. Expenses in the Group Insurance Fund are recognized as claims are incurred. Liabilities are recognized for incurred but unpaid claims. The Internal Service Proprietary Fund transactions are reported on pages 27 through 29 in a separate section consisting of a Statement of Net Assets; a Statement of Revenues, Expenses, and Changes in Net Assets; and a Statement of Cash Flows.

THE SCHOOL BOARD AS TRUSTEE

Reporting the School Board's Fiduciary Responsibilities

The School Board is the trustee, or fiduciary, for its School Activity Fund and the Sales Tax Fund. All of the School Board's fiduciary activities are reported in a separate Comparative Statement of Assets and Liabilities, accompanied by supporting schedules on pages 87 through 89. These activities have been excluded from the School Board's other financial statements because the School Board cannot use these assets to finance its operations. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Non-Expendable Trust Fund

As explained in note 17 on page 56, the Vermilion Parish School Board established the Daniel R. Dartez Education Public Trust on June 11, 1996. The Trust was established from excess oil and gas revenues and was set-up to help meet the capital outlay needs of the School System. The Trust is administered by a board of trustees which consists of individuals charged with the responsibility of maintaining a high quality investment portfolio which maximizes income within acceptable levels of risk. The trustees operate independent of the School Board, but the trust earnings are dedicated to the School Board. The activities of the Trust Fund are reported in a separate Comparative Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance on pages 84 and 88.

The School Board as a Whole

\$11.3 million of the \$74.6 million of net assets at June 30, 2008 were restricted. Restricted net assets are reported separately to show legal constraints from trust and debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. The following analysis focuses on the net assets (Table 1) and change in net assets (Table 2) of the School Board's governmental activities.

Table 1
Governmental Activities
Net Assets
June 30, 2008
(In Millions)

(With Comparative Totals for June 30, 2007)

	Year Ended	
	June 30	
	2008	2007
Assets		
Current and other assets	\$ 53.3	\$ 49.2
Capital assets	41.2	38.3
Total assets	<u>\$ 94.5</u>	<u>\$ 87.5</u>
Liabilities		
Current and other liabilities	\$ 13.6	\$ 13.6
Long-term liabilities	6.3	4.3
Total liabilities	<u>\$ 19.9</u>	<u>\$ 17.9</u>
Net assets		
Invested in capital assets, net of debt	\$ 38.8	\$ 37.7
Restricted	11.3	10.4
Unrestricted	24.5	21.5
Total net assets	<u>\$ 74.6</u>	<u>\$ 69.6</u>

The balance of \$24.5 million in unrestricted-undesignated assets represents the accumulated results of all past years' operations.

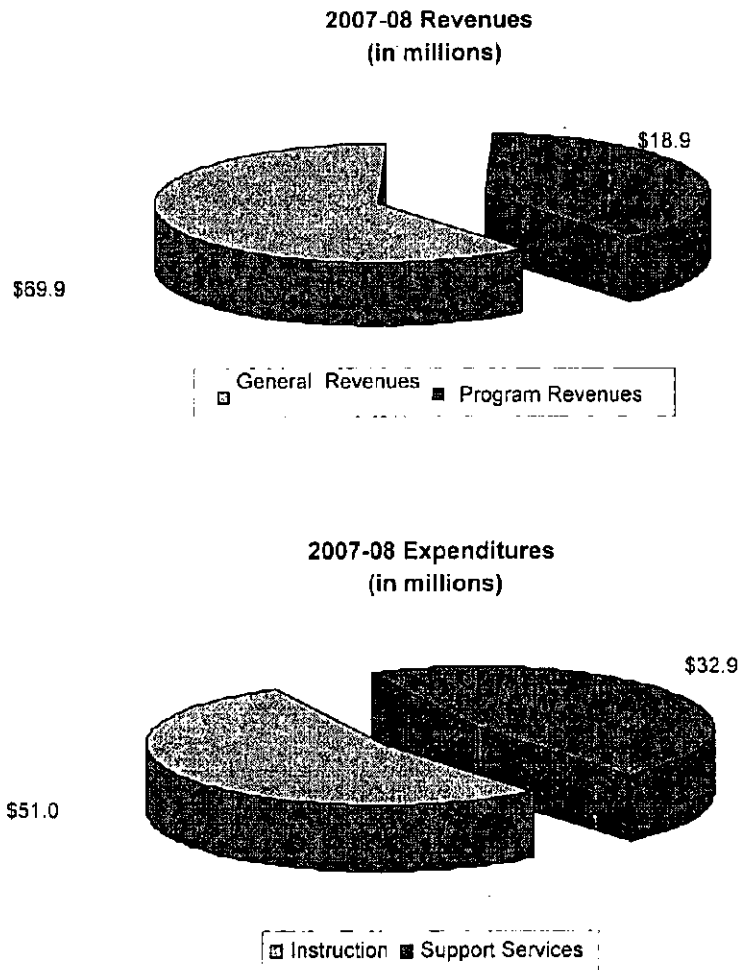
The results of this year's operations for the School Board as a whole are reported in the Statement of Activities on page 19. Table 2 reports the information from the Statement of Activities in a different format so that total revenue for the year can be more easily identifiable.

Table 2
Governmental Activities
Changes in Net Assets
Fiscal Year Ended June 30, 2008
(In Millions)

(With Comparative Totals for June 30, 2007)

	Year Ended June 30	
	2008	2007
Revenues:		
Program revenues:		
Charges for services	\$ 0.7	\$ 0.7
Operating grants and contributions	18.2	20.2
Capital grants and contributions	0.0	0.0
General revenues:		
Ad valorem taxes	9.9	9.3
Sales taxes	8.3	8.2
State equalization	39.4	34.9
Rentals, leases and royalties	8.9	4.4
Other general revenues	3.4	4.0
Total revenues	<u>\$ 88.8</u>	<u>\$ 81.7</u>
Functions/Program Expenses:		
Instruction:		
Regular programs	\$ 34.4	\$ 29.3
Special education programs	10.1	8.8
Vocational programs	2.1	1.9
Other instructional programs	4.4	4.3
Support services:		
Pupil support services	4.1	3.6
Instructional staff support services	3.8	3.4
General administration	2.5	2.2
School administration	3.8	3.5
Business services	0.7	0.6
Plant services	7.7	7.5
Student transportation services	4.2	3.8
Central services	0.6	0.5
Food services	4.3	4.0
Facilities acquisition & construction	1.2	0.5
Community services programs	0.0	0.0
Debt service -		
Interest on long-term obligations	0.0	0.0
Total expenses	<u>\$ 83.9</u>	<u>\$ 73.9</u>
Increase (Decrease) in net assets	<u>\$ 4.9</u>	<u>\$ 7.8</u>

A summary of Vermilion Parish School Board's 2007-08 revenues and expenditures is presented below:



Governmental Activities

As reported in the Statement of Activities on page 19, the net cost of governmental activities this year was \$65.0 million. The taxpayers in the parish provided \$18.2 million in ad valorem and sales tax revenues to help meet the total cost of governmental activities. The state contributed \$39.4 million through the Minimum Foundation Program (MFP), which is the main funding source for the School Board. The balance of the cost of governmental activities for the year was provided through state and Federal grants and from revenues from Board owned property.

The cost of governmental activities exceeding restricted state and Federal grants and charges for services must be paid by the citizens of Vermilion Parish and unrestricted state grants. The following presentation shows the portion of governmental activities that must be paid by the citizens of Vermilion Parish and unrestricted state grants.

**Funding of Governmental Activities
2007-08
(in millions)**

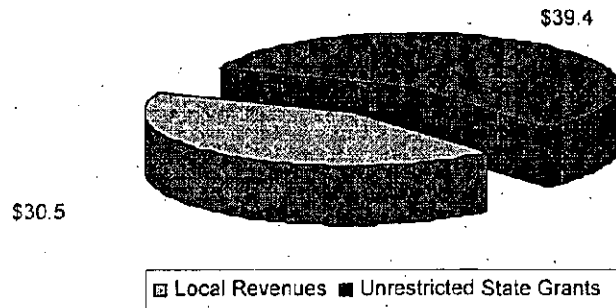


Table 3 presents the total cost of each of the School Board's five largest functions – regular programs, special education programs, other instructional programs, plant services, and food services, as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

**Table 3
Governmental Activities
Fiscal Year Ended June 30, 2008
(In Millions)**

(With Comparative Totals for June 30, 2007)

	Total Cost of Services		Net Cost of Services	
	2008	2007	2007	2006
Regular programs	\$34.4	\$29.3	\$(30.8)	\$(27.7)
Special education programs	10.1	8.8	(8.2)	(6.7)
Other instructional programs	4.4	4.3	(0.6)	0.8
Plant services	7.7	7.5	(5.1)	(1.8)
Food services	4.3	4.0	(0.1)	(0.1)
Subtotal	\$60.9	\$53.9	\$(44.8)	\$(35.5)
All others	23.0	20.0	(20.2)	(17.5)
Total	\$83.9	\$73.9	\$(65.0)	\$(53.0)

The School Board Funds

The School Board uses funds to help it control and manage money for particular purposes. Accounting for money for particular purposes in different funds helps the reader to determine whether the School Board is being accountable for the resources taxpayers and others provide to it and it may also give the reader more insight into the School Board's overall financial health.

Major Funds - The General Fund is one of the School Board's two major funds for the 2007-08 fiscal year. The General Fund's fund balance at June 30, 2008 was \$23.8 million which is consistent with the balance at the end of the prior fiscal year. As discussed in the financial highlights, the MFP funding increased by around \$4.5 million in 2007-08 as compared to the prior fiscal year. Ad valorem tax revenue remained relatively consistent with the previous fiscal year.

The standard recommendation is to have at least 10% of the General Fund's budgeted expenditures in unrestricted fund balance. However, because of the Board's reliance on oil and gas, a contingent source of revenue, the goal of Vermilion Parish School Board's management has been 15%.

The other major fund this year is the Special Federal Revenue Fund. The volume of federal allocations related to Hurricane Rita recovery has caused this fund to be classified as a major fund. The revenue from this fund has decreased from \$6.3 million in 2006-07 to \$5.5 million in 2007-08. The reduction in revenue is directly attributable to a decline in storm recovery reimbursements.

Non-major Governmental Funds - The non-major funds' fund balances were generally stable with a small increase in their total fund balances.

General Fund Budgetary Highlights

The School Board, in accordance with state law, must adopt a budget on the General Fund and all Special Revenue Funds prior to September 15 of each year. In accordance with state law the School Board may have variances of 5 percent of total revenues or expenditures in a fund before it is legally required to amend the budget. The School Board adopted its 2007-08 budget on August 23, 2007, and revised the budget on June 18, 2008. In the revision, the total original General Fund budgeted revenues increased by 4.6% or \$2.4 million from \$52.2 million to \$54.6 million. The total budgeted General Fund expenditures increased from the original budget to the final budget by \$1.5 million or 2.2%.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital Assets of the School Board used in performance of general School Board functions are recorded in the Fund Financial Statements as expenditures when purchased. The amount represents the original cost of the assets. Depreciation of capital assets is not recognized in the Fund Financial Statements as explained in the notes to the basic financial statements. In the Government-wide Financial Statements the capital assets are recorded as assets at their original cost at the time of purchase or fair market value, if donated. Depreciation of capital assets has been recognized in the Government-wide Financial Statements.

At June 30, 2008 the School Board had \$41.1 million invested in land, buildings and improvements and furniture and equipment, net of depreciation. Net capital assets remained relatively consistent with the prior fiscal year. In accordance with State guidelines, effective with the 2002-03 fiscal year, items costing less than \$1,000 are considered supplies and are not capitalized. Beginning July 1, 2008, however, items costing less than \$5,000 will be considered supplies. Table 4 presents capital assets net of depreciation at June 30, 2008.

Table 4
Governmental Activities
Capital Assets at Year-end
Net of Depreciation
June 30, 2008

(With Comparative Totals for June 30, 2007)

	2008	2007
Land	\$ 1,980,787	\$ 1,660,787
Construction in Progress	3,098,546	2,043,907
Buildings and improvements	31,843,295	30,606,638
Furniture and equipment	4,247,444	4,023,156
Total	<u>\$41,170,072</u>	<u>\$38,334,488</u>

Debt

At June 30, 2008, the school board had \$2,355,000 in certificates of indebtedness outstanding. Of this amount outstanding, \$290,000 is due within one year. Table 5 summarizes bonds and limited tax certificates of indebtedness outstanding at June 30, 2008.

Table 5
Governmental Activities
Outstanding Debt
June 30, 2008

(With Comparative Totals for June 30, 2007)

	2008	2007
Certificates of Indebtedness:		
Series 2002 – Central Facility Construction	\$ 300,000	\$365,000
Series 2003 – Refinanced Existing Certificates (Series 1997/1998/1999)	55,000	295,000
Series 2008 – Middle School Gymnasium	<u>2,000,000</u>	<u>0</u>
Total	<u>\$2,355,000</u>	<u>\$660,000</u>

The proceeds of the Series 2002 certificates of indebtedness were used to construct a print shop/technology center at the central office. The certificates will be paid out in 2012.

The proceeds of the Series 2003 certificates of indebtedness were used to refinance the Series 1997, Series 1998 and Series 1999 certificates of indebtedness which were used to construct a cafeteria/kitchen renovation and expansion at Dozier Elementary School and multi-purpose buildings at Eaton Park Elementary School, Herod Elementary School, Kaplan Elementary School and Jesse Owens Elementary School. The certificates will be paid out in 2009.

The proceeds of the Series 2008 certificates of indebtedness were used to construct a gymnasium at Rene Rost Middle School. The certificates will be paid out in 2018.

The state limits the amount of general obligation debt that school boards can issue to 35 percent of the assessed value of all taxable property within the School Board's corporate limits. At June 30, 2008, Vermilion

Parish School Board's maximum legal debt limit was \$115,933,850. The District's outstanding general obligation bonded debt of \$2,355,000 is well below the maximum debt limit. The School Board anticipates issuing approximately \$1,500,000 in certificates of indebtedness during the 2008-2009 fiscal year to finance the construction of a cafeteria at a parish elementary school.

Other long-term obligations of the School Board include accrued vacation pay and sick leave. More detailed information about our long-term obligations is presented in note 7 to the basic financial statements.

FOR THE FUTURE

As of the end of the fiscal year, the Vermilion Parish School Board was continuing to recover from the effects of Hurricane Rita. The General Fund undesignated fund balance was 34% of the 2008-09 budgeted expenditures as of June 30, 2008. This fund balance will enable the Vermilion Parish School to completely recover from the impacts of the recent storms.

The Trust Fund has an accumulated value in excess of \$11 million as of the end of the fiscal year. The Board is continuing its' long-term practice of reducing the reliance on oil and gas revenues. In 1990, oil and gas revenues represented 22% of the General Fund budgeted revenues. Beginning in 2008-09, the Board has completely removed this volatile source of revenue from the General Fund budget.

As of the date of this report, the main focus is to finalize the recovery process and construct a new elementary school. Renovations to school facilities must be completed so that students and faculty can return to normalcy and continue in the educational process that they have become accustomed to. As the System moves along this course, we must exercise financial caution until the entire reimbursement process has been finalized. It is important that we continue conducting the financial operations of the School System in a conservative and responsible manner.

There are additional concerns for the near future. One of the goals laid out by the Board, is to avoid spending non-recurring revenues on recurring expenditures. Toward that end, we are continuing to reduce the oil and gas revenues budgeted in the general fund. While reducing budgeted revenues, over the last few years, the Board has experienced huge increases in the cost of employee benefits. The administration is continually monitoring all expenditures and whenever possible, is proposing departmental restructuring, reconsidering the necessity of vacant positions and is monitoring individual budget line items searching for possible additional adjustments.

The Legislature has mandated, starting in the 2002-03 fiscal year, that 50 percent of "new growth" money in the Minimum Foundation Program funding formula shall be used for certificated staff pay raises. The certificated staff has received an increase in pay during the 2008-09 fiscal year from the "new growth" money. The legislature also funded increases in pay for both certificated and support staff for the 2008-2009 fiscal year.

On November 17, 2007, the citizens of Vermilion Parish overwhelmingly approved the renewal of the 25 mills ad valorem tax for ten more years. This millage was originally approved in 1998 and is dedicated to the salaries and benefits of all employees. This vote of support will allow our school system to maintain the quality of education here in the parish. It will continue to provide educational opportunities that allow our children to be successful.

The Board must also consider alternate sources of funding so that the salaries of our teachers and support staff can be brought up to those of the surrounding parishes.

Although the administration has concerns about the cumulative effect that the storm related expenditures will have on the School System, if we continue in a fiscally conservative manner, we will be able to address all of those concerns.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional financial information contact Phillip Sellers, Chief Financial Officer, Vermilion Parish School Board, P.O. Drawer 520, Abbeville, LA 70511-0520 or call at (337) 898-5705 or e-mail to psellers@vrml.k12.la.us.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Statement of Net Assets
Governmental Activities
June 30, 2008

ASSETS

Cash and interest-bearing deposits	\$ 31,188,857
Investments	9,058,023
Receivables	12,744,601
Inventories	260,670
Prepaid expense	1,305
Capital assets, net	<u>41,170,072</u>
Total assets	<u>94,423,528</u>

LIABILITIES

Accounts, salaries and other payables	13,022,824
Deferred revenue	536,112
Interest payable	6,519
Long-term liabilities	
Due within one year	290,000
Due in more than one year	<u>6,028,605</u>
Total liabilities	<u>19,884,060</u>

NET ASSETS

Invested in capital assets, net of related debt	38,808,553
Restricted for:	
Trust principal	11,062,611
Debt service	202,334
Unrestricted	<u>24,465,970</u>
Total net assets	<u>\$ 74,539,468</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Statement of Activities
For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets Governmental Activities
Governmental activities:				
Instruction:				
Regular programs	\$ 34,342,979	\$ -	\$ 3,499,648	\$ (30,843,331)
Special education programs	10,116,754	20,032	1,919,007	(8,177,715)
Vocational education programs	2,094,871	-	146,502	(1,948,369)
Other instructional programs	265,295	-	812,677	547,382
Special programs	4,040,400	-	2,889,701	(1,150,699)
Adult and continuing education programs	127,649	-	127,052	(597)
Support services:				
Pupil support services	4,036,724	-	1,191,354	(2,845,370)
Instructional staff support services	3,789,313	-	1,088,369	(2,700,944)
General administration	2,518,949	-	122,912	(2,396,037)
School administration	3,768,256	-	-	(3,768,256)
Business services	738,082	-	-	(738,082)
Operation and maintenance of plant services	7,743,945	-	2,673,646	(5,070,299)
Student transportation services	4,188,135	71,371	80,861	(4,035,903)
Central services	626,776	-	75,322	(551,454)
Non-instructional services:				
Food services	4,260,377	634,641	3,556,893	(68,843)
Community service programs	38,160	-	-	(38,160)
Facilities acquisition and construction	1,207,181	-	2,192	(1,204,989)
Interest on long-term debt	21,487	-	-	(21,487)
Total governmental activities	\$ 83,925,333	\$ 726,044	\$ 18,186,136	(65,013,153)
Taxes:				
Ad valorem taxes, levied for general purposes				1,356,528
Ad valorem taxes, levied for special purposes				8,583,933
Sales and use taxes, levied for general purposes				8,340,650
State revenue sharing				136,987
Grants and contributions not restricted to specific programs:				
State source - Minimum Foundation Program				39,393,221
State source - PIPS				149,154
Interest and investment earnings				1,230,982
Rentals, leases and royalties				8,886,251
Miscellaneous				1,876,413
Loss on disposal of capital assets				(1,966)
Total general revenues				69,952,153
Change in net assets				4,939,000
Net assets - July 1, 2007				69,600,468
Net assets - June 30, 2008				74,539,468

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUNDS DESCRIPTIONS

General Fund

The General fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Federal Revenue Fund

This Special Fund is used to account for federal grants such as Public Assistance Grants (FEMA), Technology Literacy Challenge Grants, Carl Perkins Vocational Education Grants, Job Training Partnership Act Grants and other grants which are not accounted for in other special revenue funds.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Balance Sheet
Governmental Funds
June 30, 2008

	General	Special Federal Revenue Fund	Other Governmental	Total
ASSETS				
Cash and interest-bearing deposits	\$22,808,788	\$ 7,468	\$ 5,507,165	\$28,323,421
Investments	-	-	9,058,023	9,058,023
Receivables	656,017	3,542,695	8,545,889	12,744,601
Due from other funds	10,437,069	-	-	10,437,069
Inventories	152,141	-	108,529	260,670
Prepaid expenses	1,305	-	-	1,305
Total assets	<u>\$34,055,320</u>	<u>\$ 3,550,163</u>	<u>\$23,219,606</u>	<u>\$60,825,089</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,257,661	\$ 166,092	\$ 92,162	\$ 1,515,915
Accrued salaries payable	8,619,037	63,604	1,749,688	10,432,329
Contracts payable	-	-	83,916	83,916
Retainage payable	108,129	-	78,395	186,524
Due to other funds	-	3,320,467	7,116,602	10,437,069
Deferred revenue	244,336	-	291,776	536,112
Other liabilities	6,683	-	-	6,683
Total liabilities	<u>10,235,846</u>	<u>3,550,163</u>	<u>9,412,539</u>	<u>23,198,548</u>
Fund balances-				
Reserved for -				
Other purposes	152,141	-	108,529	260,670
Debt service	-	-	202,334	202,334
Construction	-	-	1,558,753	1,558,753
Held in trust for capital improvements	-	-	11,062,611	11,062,611
Total fund balances reserved	<u>152,141</u>	<u>-</u>	<u>12,932,227</u>	<u>13,084,368</u>
Unreserved -				
Undesignated, reported in major funds	23,667,333	-	-	23,667,333
Undesignated, reported in nonmajor funds:				
Special Revenue	-	-	874,840	874,840
Total fund balances unreserved	<u>23,667,333</u>	<u>-</u>	<u>874,840</u>	<u>24,542,173</u>
Total fund balances	<u>23,819,474</u>	<u>-</u>	<u>13,807,067</u>	<u>37,626,541</u>
Total liabilities and fund balances	<u>\$34,055,320</u>	<u>\$ 3,550,163</u>	<u>\$23,219,606</u>	<u>\$60,825,089</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2008

Total fund balances for governmental funds at June 30, 2008		\$ 37,626,541
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 1,980,787	
Construction in progress	3,098,546	
Building, net of \$40,384,266 accumulated depreciation	16,860,002	
Improvement, net of \$17,676,352 accumulated depreciation	14,983,293	
Vehicles, net of \$3,118,327 accumulated depreciation	1,983,886	
Equipment, net of \$7,354,005 accumulated depreciation	<u>2,263,558</u>	41,170,072
Elimination of interfund assets and liabilities:		
Due from other funds	10,437,069	
Due to other funds	<u>(10,437,069)</u>	-
Long-term liabilities at June 30, 2008:		
Bonds payable	(2,355,000)	
Compensated absences payable	(3,963,605)	
Accrued interest payable	<u>(6,519)</u>	(6,325,124)
Assets and liabilities of Self - Insurance Internal Service		<u>2,067,979</u>
Net assets at June 30, 2008		<u>\$ 74,539,468</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SCHOOL BOARD

Abbeville, Louisiana

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

For The Year Ended June 30, 2008

	General	Special Federal Revenue Fund	Other Governmental	Total
Revenues				
Local sources:				
Ad valorem taxes	\$ 1,356,528	\$ -	\$ 8,583,933	\$ 9,940,461
Sales taxes	8,340,650	-	-	8,340,650
Food services	-	-	634,641	634,641
Other	11,728,243	-	373,667	12,101,910
Total local sources	21,425,421	-	9,592,241	31,017,662
State sources	40,581,761	-	2,531,571	43,113,332
Federal sources	-	5,506,905	9,038,770	14,545,675
Other commodities	-	-	200,049	200,049
Total revenues	62,007,182	5,506,905	21,362,631	88,876,718
Expenditures				
Current:				
Instruction -				
Regular programs	28,960,853	2,099,084	2,111,384	33,171,321
Special education programs	7,915,236	164,485	1,685,603	9,765,324
Vocational education programs	1,921,003	146,502	-	2,067,505
Other instructional programs	256,193	-	-	256,193
Special programs	1,011,019	-	2,889,701	3,900,720
Adult and continuing education programs	3,229	-	122,780	126,009
Support services -				
Pupil support services	2,704,304	51,352	1,137,190	3,892,846
Instructional staff support services	2,613,243	439,724	645,574	3,698,541
General administration	2,011,392	10,831	423,261	2,445,484
School administration	3,634,789	-	-	3,634,789
Business services	721,731	-	-	721,731
Operation and maintenance of plant services	7,496,477	1,797	123,690	7,621,964
Student transportation services	3,961,935	21,573	550,682	4,534,190
Central services	546,248	23,398	51,924	621,570
Non-instructional services -				
Food services	-	-	4,183,314	4,183,314
Community service programs	36,985	-	-	36,985
Facilities acquisition and construction	3,660,238	-	1,999,502	5,659,740
Debt service:				
Principal retirement	-	-	305,000	305,000
Interest and fiscal charges	-	-	25,436	25,436
Legal and technical fees	-	-	250	250
Total expenditures	67,454,875	2,958,746	16,255,291	86,668,912
Excess (deficiency) of revenues over expenditures	(5,447,693)	2,548,159	5,107,340	2,207,806

(continued)

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
For The Year Ended June 30, 2008

	General	Special Federal Revenue Fund	Other Governmental	Total
Other financing sources (uses):				
Proceeds from issuance of debt	-	-	2,000,000	2,000,000
Transfers in	8,692,207	-	1,433,506	10,125,713
Transfers out	(1,000,000)	(2,548,159)	(6,577,554)	(10,125,713)
Total other financing sources (uses)	<u>7,692,207</u>	<u>(2,548,159)</u>	<u>(3,144,048)</u>	<u>2,000,000</u>
Net change in fund balances	2,244,514	-	1,963,292	4,207,806
Fund balances, beginning	<u>21,574,960</u>	<u>-</u>	<u>11,843,775</u>	<u>33,418,735</u>
Fund balances, ending	<u>\$ 23,819,474</u>	<u>\$ -</u>	<u>\$ 13,807,067</u>	<u>\$ 37,626,541</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2008

Total net change in fund balances for the year ended June 30, 2008 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 4,207,806
Add: Facilities acquisition and construction costs which are considered as expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 5,590,171
Less: Depreciation expense for year ended June 30, 2008	<u>(2,742,202)</u> 2,847,969
Add: Bond principal retirement considered as an expenditure on Statement of Revenues, Expenditures and Changes in Fund Balance	305,000
Less: Issuance of long-term debt (e.g., bonds and leases)	(2,000,000)
Less: Compensated absences earned for year ended June 30, 2008	(290,471)
Add: Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis	4,199
Less: Net income of the Self - Insurance Internal Service Fund	(123,118)
Less: Proceeds from sale of assets	(10,419)
Less: Losses are not presented in this financial statement because they do not provide or use current financial resources, but they are presented in the statement of activities	<u>(1,966)</u>
Total change in net assets for the year ended June 30, 2008 per Statement of Activities	<u>\$ 4,939,000</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Proprietary Fund
Governmental Activities - Group Insurance Fund
Statement of Net Assets
June 30, 2008

ASSETS

Current assets:

Cash and interest-bearing deposits	\$2,865,436
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LIABILITIES

Current liabilities:

Claims payable	<u>797,457</u>
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NET ASSETS

Net assets:

Unreserved	<u>\$2,067,979</u>
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The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Proprietary Fund
Governmental Activities - Group Insurance Fund
Statement of Revenues, Expenses and Changes in Fund Net Assets
Year Ended June 30, 2008

Operating revenue:	
Premiums	<u>\$9,587,428</u>
Operating expenses:	
Administration	917,723
Insurance	897,136
Claims	<u>8,003,270</u>
Total operating expenses	<u>9,818,129</u>
Operating loss	(230,701)
Nonoperating revenue:	
Interest earned on interest-bearing deposits	<u>107,583</u>
Change in net assets	(123,118)
Net assets, beginning	<u>2,191,097</u>
Net assets, ending	<u>\$2,067,979</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Proprietary Fund
Governmental Activities - Group Self Insurance
Statement of Cash Flows
Year ended June 30, 2008

Cash flows from operating activities:	
Receipts from customers	\$ 9,587,428
Payments to suppliers	<u>(9,974,952)</u>
Net cash used by operating activities	<u>(387,524)</u>
 Cash flows from investing activities:	
Interest income	<u>107,583</u>
Net increase in cash and interest bearing deposits	(279,941)
 Cash and cash equivalents, beginning of period	<u>3,145,377</u>
Cash and cash equivalents, end of period	<u>\$ 2,865,436</u>
 Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (230,701)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Changes in current assets and liabilities:	
Decrease in claims payable	<u>(156,823)</u>
Net cash used by operating activities	<u>\$ (387,524)</u>
 Reconciliation of cash and interest-bearing deposits per statement of cash flows to the balance sheet:	
Cash and interest bearing deposits, beginning of period -	
Cash and interest-bearing deposits	\$ 3,145,377
 Cash and interest bearing deposits, end of period -	
Cash and interest-bearing deposits	<u>2,865,436</u>
Net decrease	<u>\$ (279,941)</u>

The accompanying notes are an integral part of the basic financial statements.

Vermilion Parish School Board
Abbeville, Louisiana

Statement of Fiduciary Net Assets
June 30, 2008

ASSETS

Cash and interest bearing deposits	<u>\$3,776,866</u>
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LIABILITIES

Accounts payable	\$ 13,000
Due to other governmental units	1,965,866
Deposits due others	<u>1,798,000</u>
Total liabilities	<u>\$3,776,866</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Vermilion Parish School Board (School Board) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The School Board was created by Louisiana Revised Statute (LRS-R.S.) 17:51 to provide public education for the children within Vermilion Parish. The School Board is authorized by LRS-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of eight members who are elected from eight districts for terms of four years.

The School Board operates 18 schools within the parish with a total enrollment of 9,163 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

For financial reporting purposes, the School Board includes all funds and activities for which the School Board exercises financial accountability. Because the School Board members are independently elected and are solely accountable for fiscal matters, which include (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, and (3) fiscal management for controlling the collection and disbursement of funds, the School Board is a separate governmental reporting entity, primary government.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and the statement of activities display information about the School Board, the primary government, as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. The School Board's internal service fund is a governmental activity. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the School Board's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the School Board are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Fund financial statements report detailed information about the School Board.

The various funds of the School Board are classified into three categories: governmental, and proprietary, and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the School Board or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The School Board reports the following major governmental funds:

The General Fund is the general operating fund of the School Board. It accounts for all financial resources except those required to be accounted for in other funds.

The Special Federal Revenue Fund is used to account for federal grants such as Public Assistance Grants (FEMA), Technology Literacy Challenge Grants, Carl Perkins Vocational Education Grants, Job Training Partnership Act Grants, and other grants which are not accounted for in other special revenue funds.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Additionally, the School Board reports the following fund types:

Special Revenue Funds

Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the revenues and expenditures related to federal, state and local grant and entitlement programs.

Debt Service Funds

Debt service funds, established to meet requirements of bond ordinances, are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

Proprietary Funds -

Proprietary funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and cash flows. The following is the School Board's proprietary fund type:

Internal Service Fund

The Internal Service Fund is used to account for the accumulation of resources for and the payment of benefits by the School Board's group self-insurance program.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are derived from contributions made from the employer and employees. These revenues are planned to match: (1) expenses of insurance premiums in excess of self-insurance amounts; (2) actual claims and estimated liabilities for claims incurred but not yet reported at year-end and (3) operating expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Funds -

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the School Board. The funds accounted for in this category by the School Board are the agency funds. The agency funds are as follows:

School Activity Fund – accounts for assets held by the School Board as an agent for the individual schools and school organizations.

Sales Tax Fund – accounts for monies collected on behalf of other taxing authorities within the parish.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Permanent Funds -

Permanent funds are used to account for resources that are legally restricted to the extent that only earnings and not principal, may be used for purposes that support the School Board's programs.

C. Measurement Focus/ Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, the governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary (internal service) fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Program revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the School Board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the School Board's general revenues.

Allocation of indirect expenses

The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means being collectible within the current period or within 60 days after year-end. Expenditures (including facilities acquisition and construction) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Federal and state entitlements (unrestricted grants-in-aid, which include state equalization and state revenue sharing) are recorded when available and measurable. Expenditure-driven federal and state grants, which are restricted as to the purpose of the expenditures, are recorded when the reimbursable expenditures have been incurred.

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed in November, by the Parish Assessor, based on the assessed value and become due on December 31 of each year. The taxes become delinquent on January 1. An enforceable lien attaches to the property as of January 1. The taxes are generally collected in December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year-end to the extent that they have been collected but not received by the Vermilion Parish Tax Collector's Office. Such amounts are measurable and available to finance current operations.

Interest income on time deposits and revenues from rentals, leases, and royalties are recorded when earned.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Sales and use tax revenues are recorded in the month collected by the School Board.

Substantially all other revenues are recorded when received.

Expenditures

Salaries are recorded as expenditures when incurred. Nine-month employee salaries are incurred over a nine-month period but paid over a twelve-month period.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death.

Commitments under construction contracts are recognized as expenditures when earned by the contractor.

Principal and interest on general long-term obligations are not recognized until due.

All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sales of capital assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Deferred Revenues

Deferred revenues arise when resources are received before the School Board has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures or when tuition is received in advance of the commencement of classes.

In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized. Recognition of revenue from ad valorem tax collections has been deferred in instances where the School Board has been advised by the tax collecting authority that certain amounts have been paid in protest. Recognition of revenue from minor federal and state grant advances has been deferred to the next fiscal year to allow proper matching of revenues and expenditures.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

D. Assets, Liabilities and Equity

Cash and interest bearing deposits

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the School Board. For the purpose of the proprietary fund statement of cash flows, "cash and interest bearing deposits" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less when purchased.

Investments

Trust fund investments are stated at fair value in accordance with GASB 31. Fair value is defined as the amount at which a financial instrument could be exchanged in a current asset transaction between willing parties. Fair value was determined based on quoted market prices.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem taxes, sales and use taxes, and federal and state grants.

Inventories

The cost of inventories is recorded as expenditures when consumed rather than when purchased. Reserves are established for an amount equal to the carrying value of inventories.

Inventory of the General Fund consists of instructional supplies maintained in the central warehouse for use of all schools and janitorial and electrical supplies maintained in the central warehouse for the use of all departments and schools. All inventory purchased are valued at cost (first-in, first-out).

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Inventory of the School Lunch/Breakfast Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues and expenditures when consumed. All inventory items purchased are valued at cost (first-in, first-out), and donated commodities are assigned values based on information provided by the United States Department of Agriculture.

Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their estimated fair value at the date of donation. The School Board maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful life using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	10 - 40 years
Furniture and equipment	5 - 15 years

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as facilities acquisition and construction expenditures of the governmental fund upon acquisition.

The School Board does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Amounts expended for such items prior to June 30, 2003 were considered to be part of the cost of buildings and improvements. In the future, if such items are built or constructed, and appear to be material in cost compared to all capital assets, they will be capitalized and depreciated over their estimated useful lives as with all other depreciable capital assets.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Compensated Absences

All 12-month employees earn from 12 to 18 days vacation leave each year, depending on their length of service with the School Board. Annual leave earned after June 30, 2002, will be accrued to a maximum of forty (40) days. Annual leave earned prior to June 30, 2002 is not subject to this limitation and will be available in full for use by employees. Leave accrued prior to June 30, 2002, may not be used until leave accrued subsequent to that date has been fully exhausted. Employees may only use 18 consecutive days if approved by the superintendent. Upon retirement or termination of employment, the employee may choose to be paid for any unused accumulated annual leave at the employee's daily rate of pay or may convert such unused accumulated annual leave to service credit for retirement purposes if allowed by the retirement system.

All employees earn from 10 to 13 days of sick leave each year, depending on the number of months of the school year they are employed by the School Board. Sick leave may be accumulated. Upon death or retirement, unused accumulated sick leave of up to 25 days is paid to employees (or heirs) at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, the total unused accumulated sick leave, including the 25 days paid, is used in the retirement benefit computation as earned service for leave earned prior to July 1, 1988. For sick leave earned after July 1, 1988, under the Louisiana Teachers' Retirement system and for sick leave earned under the Louisiana School Employees Retirement System all unpaid sick leave, which excludes the 25 days paid, is used in the retirement benefit computation as earned service. Employees are not compensated for unused sick leave upon resignation. However, employees who resign from Vermilion Parish School Board and begin employment in another district may transfer unused sick leave to the new district. In cases of layoffs and callbacks, employees are credited with unused sick leave balances at the time they are reinstated to service.

Act 1341 of 1999 changed the extended sick leave (gayle pay) regulations for public school employees. The Act provides that if teachers and school bus operators have no remaining sick leave, they are allowed up to 90 days extended sick leave in a six year period. During these 90 days, the employee is paid 65% of their pay at the time that the leave begins.

Act 1342 of 1999 changed the sabbatical leave regulation. The Act allows both sabbatical medical leave and professional and cultural development sabbatical for teachers. It provides for two sabbatical semesters immediately following twelve or more consecutive semesters of consecutive service or one semester immediately following six semesters of consecutive service. Sabbatical medical leave may be granted if the teacher's regular sick leave balance is twenty-five days or less at the beginning of the sabbatical. No more than 5% of the work force can be on sabbatical at the same time. During sabbatical, the employee is paid 65% of their pay at the time the leave begins.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

The cost of current leave privileges is recognized as a current-year expenditure in the governmental funds when leave is actually taken. The cost of leave privileges not requiring current resources is recorded the general fund.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. Since the School Board's only Proprietary Fund is the Self-Insurance Internal Service Fund, which has no long-term debt, all School Board long-term debt is used in governmental fund operations.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of general obligation bonds and certificates of indebtedness. For government-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34, the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources net of the applicable premium or discount and payment of principal and interest reported as expenditures. For fund financial reporting, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. At June 30, 2008, the School Board reported \$11,264,945 of restricted net assets, which is restricted by debt covenants or enabling legislation.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

E. Budget Practices

The proposed budget for 2008 was completed and made available for public inspection at the School Board office prior to the required public hearing held for suggestions and comments from taxpayers. The School Board formally adopted the proposed fiscal year 2008 budget on August 23, 2007. In accordance with R.S.17:88(A), parish school boards must adopt the budget no later than September fifteenth of each year. The budget, which included proposed expenditures and the means of financing them, for the General and Special Revenue Fund's was published in the official journal ten days prior to the public hearing.

The budgets for the General and Special Revenue Funds for the fiscal year 2008 were prepared on the modified accrual basis of accounting, consistent with generally accepted accounting principles (GAAP).

The level of control over the budget is exercised at the function or program level for the General and Special Revenue. The Superintendent and/or assistant superintendents are authorized to transfer budget amounts within each fund; however, any supplemental appropriations that amend the total expenditures of any fund require School Board approval. As required by state law, when actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the School Board in an open meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments. Amendments to the budget were not material.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation; is not employed by the School Board.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

G. Revenue Restrictions

The School Board has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions on Use</u>
Ad valorem taxes	See Note 3
Sales taxes	See Note 8

The School Board uses unrestricted resources only when restricted resources are fully depleted.

H. Capitalization of Interest Expense

It is the policy of the School Board to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. At June 30, 2008, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(2) Cash and Investments

A. Cash and Interest-Bearing Deposits

Under state law, the School Board may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The School Board may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2008, the School Board has cash and interest-bearing deposits (book balances) totaling \$34,965,723 as follows:

	Governmental Activities	Fiduciary Funds	Total
Demand deposits	\$ 31,188,757	\$ 2,518,187	\$ 33,706,944
Interest-bearing accounts	-	1,192,905	1,192,905
Time Deposits	-	65,774	65,774
Petty cash	100	-	100
Total	<u>\$ 31,188,857</u>	<u>\$ 3,776,866</u>	<u>\$ 34,965,723</u>

These deposits are stated at cost, which approximates market. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the School Board's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2008, are secured as follows:

Bank balances	<u>\$ 33,207,592</u>
Federal deposit insurance	169,148
Pledged securities (Category 3)	<u>33,038,444</u>
Total federal insurance and pledged securities	<u>\$ 33,207,592</u>

As of June 30, 2008, the School Board's total bank balances were fully insured and collateralized with securities held in the name of the School Board by the pledging financial institution's agent and, therefore, not exposed to custodial credit risk.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

B. Investments

At June 30, 2008, the School Board's investments (book balance) totaled \$9,058,023. The carrying amounts and approximate market values of investments at June 30, 2008 are summarized as follows:

Description	Interest Rate	Cost	Unrealized Gain/ (Loss)	Reported Amount/ Market Value
Trust fund -				
FNMA	3.375% -			
obligations	7.25%	\$ 1,364,901	\$ 27,257	\$ 1,392,158
GNMA	6.50% -			
obligations	8.00%	53,325	3,246	56,571
Other government	2.50% -			
debt obligations	6.00%	2,564,845	13,843	2,578,688
Other non-government	4.00% -			
debt obligations	5.875%	2,829,733	(64,784)	2,764,949
Equity securities	N/A	1,940,279	325,378	2,265,657
Total investments		<u>\$ 8,753,083</u>	<u>\$ 304,940</u>	<u>\$ 9,058,023</u>

(3) Ad Valorem Taxes

The following ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the fiscal year ended June 30, 2008, taxes were levied by the School Board in July 2007 and were billed to taxpayers by the Assessor in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

The taxes are based on assessed values determined by the Tax Assessor of Vermilion Parish and are collected by the Sheriff. The taxes are remitted to the School Board net of deductions for Pension Fund contributions.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2008, taxes were levied on property with net assessed valuations totaling \$249,784,270 and were dedicated as follows:

Parishwide Taxes:

School employee salary and benefit tax (1998)	25.00 mills
Special school maintenance and operational tax (1996)	2.00 mills
Special school improvement tax (1996)	5.00 mills
School operations tax (1996)	<u>3.00 mills</u>
Total Special Revenue Funds	35.00 mills
School maintenance and operational tax (General Fund)	<u>4.51 mills</u>
Total assessment	<u>39.51 mills</u>

Gross taxes levied for the current fiscal year, net of homestead exemptions, totaled \$9,868,987. After deductions for various pension distributions and uncollectible taxes and collections of back taxes, net taxes remitted to the School Board amounted to \$9,388,344.

(4) Receivables

Receivables at June 30, 2008 of \$12,744,601 consisted of the following:

	<u>Grants</u>		<u>Accounts</u>	<u>Accrued interest</u>	<u>Totals</u>
	<u>Federal</u>	<u>State</u>			
General Fund	\$ -	\$ 549,957	\$ 106,060	\$ -	\$ 656,017
Special Federal					
Revenue Fund	3,542,695	-	-	-	3,542,695
Special Revenue Funds	8,453,654	-	-	-	8,453,654
Permanent Fund	-	-	-	92,235	92,235
Total receivables	<u>\$11,996,349</u>	<u>\$ 549,957</u>	<u>\$ 106,060</u>	<u>\$ 92,235</u>	<u>\$12,744,601</u>

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(5) Capital Assets

Capital assets balances and activity for the year ended June 30, 2008 is as follows:

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2008</u>
Capital assets not being depreciated:				
Land	\$ 1,660,787	\$ 320,000	\$ -	\$ 1,980,787
Construction in progress	2,043,907	2,621,680	1,567,041	3,098,546
Other capital assets:				
Buildings	57,221,366	24,837	1,935	57,244,268
Improvements	29,429,751	3,229,894	-	32,659,645
Vehicles	4,700,796	578,349	176,932	5,102,213
Equipment	10,074,080	382,452	838,969	9,617,563
Total	<u>105,130,687</u>	<u>7,157,212</u>	<u>2,584,877</u>	<u>109,703,022</u>
Less accumulated depreciation:				
Buildings	39,387,762	998,401	1,897	40,384,266
Improvements	16,656,717	1,019,635	-	17,676,352
Vehicles	2,892,785	402,474	176,932	3,118,327
Equipment	7,858,935	321,692	826,622	7,354,005
Total	<u>66,796,199</u>	<u>2,742,202</u>	<u>1,005,451</u>	<u>68,532,950</u>
Net capital assets	<u>\$38,334,488</u>	<u>\$ 4,415,010</u>	<u>\$1,579,426</u>	<u>\$ 41,170,072</u>

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 1,058,972
Special education programs	311,751
Vocational education programs	66,004
Other instructional programs	8,179
Special programs	124,528
Adult and continuing education programs	4,023
Pupil support services	124,276
Instructional staff support services	118,073
General administration	78,070
School administration	116,038
Business services	23,041
Operation and maintenance of plant services	243,326
Student transportation services	144,751
Central services	19,843
Food services	133,549
Facility acquisition and construction	166,597
Community service programs	1,181
Total depreciation expense	<u>\$ 2,742,202</u>

(6) Accounts, Salaries, and Other Payables

At June 30, 2008, accounts, salaries, and other payables of \$13,022,824 consisted of the following:

Salaries and related benefits payable	\$ 10,432,329
Accounts payable	1,515,915
Contract payable	83,916
Retainage payable	186,524
Workers compensation and health claims payable	804,140
Total payables	<u>\$ 13,022,824</u>

Prior to July 1, 1999 the Vermilion Parish School Board was partially self-insured for worker's compensation claims. Under this program the School Board maintained a self-insured retention per occurrence of \$200,000 with excess insurance coverage, and a third party administrator to handle claims. The unpaid probable cost of active claims incurred while self-insured is estimated to be \$6,683 and is reported in the General Fund as a liability.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(7) Long-Term Liabilities

\$645,000 Certificate of Indebtedness, Series 2002, due in annual installments of \$50,000 to \$80,000 through February 1, 2012; at an interest rate of 4.625% (to be retired from income derived from trust fund investments).	\$ 300,000
\$1,475,000 Refunding Bonds, Series 2003, due in annual installments of \$280,000 to \$55,000 through February 1, 2009; at an interest rate of 2.90% (to be retired from income derived from trust fund investments).	55,000
\$2,000,000 Certificates of Indebtedness, Series 2008, due in annual installments of \$165,000 to \$240,000 through February 1, 2018; at an interest rate of 3.210% (to be retired from income derived from trust fund investments).	<u>2,000,000</u>
Total	<u>\$2,355,000</u>

The bonds and certificates are due as follows:

Year Ending June 30,	Governmental Activities		Total
	Principal payments	Interest payments	
2009	\$ 290,000	\$ 58,805	\$ 348,805
2010	245,000	69,542	314,542
2011	255,000	60,616	315,616
2012	265,000	51,368	316,368
2013	195,000	41,730	236,730
2014-2018	<u>1,105,000</u>	<u>109,300</u>	<u>1,214,300</u>
Totals	<u>\$ 2,355,000</u>	<u>\$ 391,361</u>	<u>\$ 2,746,361</u>

Defeasance of Debt:

On February 5, 2003, the School Board issued \$1,475,000 of Refunding Bonds, Series 2003, with an interest rate of 2.90% for the purpose of refunding \$340,000 of outstanding Certificates of Indebtedness, Series 1997 maturing February 1, 2003 to February 1, 2007, bearing interest rates of 5.60% to 5.30%; \$990,000 of outstanding Certificates of Indebtedness, Series 1998 maturing February 1, 2003 to February 1, 2008, bearing interest rates of 4.65% to 4.90%, and \$375,000 of outstanding Certificates of Indebtedness, Series 1999 maturing February 1, 2003 to February 1, 2009, bearing interest rates of 4.40% to 4.60% and paying the cost of issuance of bonds. The proceeds of \$1,475,000 (after payment of \$19,214 in issuance costs and fees) were deposited into an irrevocable trust with an escrow agent to defease the Certificates of Indebtedness, Series 1997, 1998, and 1999, on February 2, 2003 at the principal amount thereof and accrued interest to the date fixed for redemption. As a result, the Certificates of Indebtedness, Series 1997, maturing February 1, 2003 to

VERMILION PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

February 1, 2007, Certificates of Indebtedness, Series 1998, maturing February 1, 2003 to February 1, 2008, and Certificates of Indebtedness, Series 1999, maturing February 1, 2003 to February 1, 2009, are considered to be defeased and the liability has been removed from the School Board's books. This advanced refunding was undertaken to reduce total debt service payments over the next six years by \$69,792 and resulted in an economic gain (difference between the present value of debt service payments on the old and the new debt) of \$5,366.

Changes in General Long-Term Liabilities

During the year ended June 30, 2008, the following changes occurred in long-term liabilities transactions and balances:

	Balance 7/1/2007	Additions	Reductions	Balance 6/30/2008	Due Within One Year
Certificates of Indebtedness, Series 2002	\$ 365,000	\$ -	\$ 65,000	\$ 300,000	\$ 70,000
Refunding Bonds, Series 2003	295,000	-	240,000	55,000	55,000
Certificates of Indebtedness, Series 2008	-	2,000,000	-	2,000,000	165,000
Compensated absences	3,673,134	290,471	-	3,963,605	-
	<u>\$ 4,333,134</u>	<u>\$ 2,290,471</u>	<u>\$ 305,000</u>	<u>\$ 6,318,605</u>	<u>\$ 290,000</u>

Compensated Absences

Compensated absences payable consist of the portion of accumulated sick and annual leave of the governmental funds that is not expected to require current resources. The liability for compensated absences is computed only at the end of each fiscal year; therefore, the increase of \$290,471 for fiscal year 2008, is the net of leave benefits accrued and paid during those years.

(8) Sales and Use Taxes

The School Board is authorized to collect within the parish a one percent sales and use tax. The proceeds of the tax are dedicated to supplement salaries of teachers and/or the expenditures of operating the schools, including salaries of other personnel.

VERMILION PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

Effective March 1, 1992, the School Board was appointed the central sales tax collecting agency for all taxing bodies within Vermilion Parish. The following is a summary of taxes that the School Board has the responsibility of collecting:

<u>Taxing Bodies:</u>	<u>Rate</u>
Vermilion Parish Police Jury	1.50%
Vermilion Parish Sheriff	0.75%
Town of Gueydan	1.00%
City of Kaplan	1.00%
City of Abbeville	1.25%
Town of Erath	1.00%
Town of Delcambre	1.00%
Village of Maurice	1.50%
Vermilion Parish Tourist Commission	5.00%
Vermilion Parish School Board	1.00%
Hospital Service District #1	1.00%

(9) Retirement Plans

Eligible employees of the Vermilion Parish School Board participate in one of four multiple-employer public employee retirement systems (PERS), which are controlled and administered by a separate board of trustees. These retirement systems provide retirement, disability and death benefits to plan members and their beneficiaries. Pertinent information relative to each plan follows:

A. Teachers' Retirement System of Louisiana – Regular

Plan members are required to contribute 8.0 percent of their annual salary to the system while the School Board is required to contribute the statutory rate of 16.6 percent of the total annual covered salary. The School Board's contributions to the system for the years ended June 30, 2008; 2007 and 2006 were \$6,479,378, \$5,834,484, and \$5,206,215, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Louisiana Teachers' Retirement System, P.O. Box 94123, Baton Rouge, Louisiana 70804-9123.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

B. Teachers' Retirement System of Louisiana – Plan A

Plan members are required to contribute 9.1 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 16.6 percent of the total annual covered salary. The School Board's contributions to the system for the years ended June 30, 2008, 2007 and 2006 were \$17,953, \$17,370, and \$20,561, respectively, equal to the required contribution for each year.

C. Parochial Employees' Retirement System

Plan members are required to contribute 9.5 percent of their annual salary to the system while the School Board is required to contribute the statutory rate of 12.75 percent of the total annual covered salary. The School Board's contributions to the system for the years ended June 30, 2008, 2007 and 2006 were \$7,890, \$612, and \$1,224, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Louisiana Teachers' Retirement System, P.O. Box 94123, Baton Rouge, Louisiana, 70804-9123.

D. Louisiana School Employees' Retirement System

Plan members are required to contribute 7.5 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 18.1 percent of the total annual salary covered. The School Board contribution to the system for the years ended 2008, 2007 and 2006 were \$622,574, \$645,350, and \$558,810, respectively.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Louisiana Teachers' Retirement System, P.O. Box 44516, Baton Rouge, Louisiana, 70804.

(10) Self-insurance Group Health Insurance Program

On April 25, 2002, the School Board began a partially self-insured group health insurance program. A separate internal service fund was created to accumulate funds designated for the payment of health care claims, insurance and associated costs of school system employees, retirees and their covered dependants. The School Board has procured specific-loss insurance with a self-insured retention of \$150,000 per individual and aggregate-loss insurance with an attachment point of approximately \$11,685,912 based on projected enrollment of 1,400 subscribers.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

The liability for unpaid claims of \$797,457 as of June 30, 2008 was determined based on reports obtained from third party administrator regarding claims incurred prior to June 30, 2008 paid out during the subsequent month period ending September 30, 2008, and includes a \$127,550 provision for claims incurred but not reported.

Changes in the claims liability amount for the group health insurance program are as follows:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Benefit Payments and Claims	Balance at Fiscal Year-End
2005-2006	\$ 980,128	\$ 7,669,855	\$ 7,252,172	\$ 1,397,811
2006-2007	\$ 1,397,811	\$ 7,619,319	\$ 8,062,850	\$ 954,280
2007-2008	\$ 954,280	\$ 8,179,763	\$ 8,336,586	\$ 797,457

(11) Commitments and Contingencies

A. Litigation

There are several lawsuits presently pending against the School Board. The School Board's management and legal counsel is of the opinion that any unfavorable outcome in these cases would not materially affect the financial statements.

B. Grant Audits

The School Board receives federal and state grants for specific purposes that are subject to review and audit by governmental agencies. Such audits could result in a request for reimbursement by the grantor for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the School Board, such disallowances, if any, will not be significant.

C. Intergovernmental Agreement

On January 19, 2000 the Vermilion Parish School Board negotiated an intergovernmental agreement with the Iberia Parish School Board to establish certain parameters for calculating annual payments that the School Board shall remit to the Iberia Parish School Board for Vermilion Parish resident students attending Iberia Parish Schools. This agreement is effective for a twenty-year period ending June 30, 2020 but is subject to renegotiation every five years.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(12) Interfund Transactions

A. Interfund receivables and payables, by fund, at June 30, 2008 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<i>Major funds:</i>		
General Fund	\$ 10,437,069	\$ -
Special Federal Revenue	-	3,320,467
Total major funds	<u>10,437,069</u>	<u>3,320,467</u>
<i>Nonmajor funds:</i>		
Title I	-	2,540,107
Title II	-	603,362
Title III	-	29,536
Title IV	-	44,495
Title V	-	13,909
Individual with Disabilities Education Act	-	1,847,595
Preschool Flow - Through	-	75,037
Federal Adult Education	-	87,008
State Adult Education Fund	-	27,545
School Lunch/Breakfast Fund	-	45
Region IV Education Service Center	-	89,352
Truancy Assessment and Service Centers	-	16,213
TANF	-	984,395
Reading First	-	758,003
Total nonmajor funds	<u>-</u>	<u>7,116,602</u>
Total	<u>\$ 10,437,069</u>	<u>\$ 10,437,069</u>

The amounts due to the General Fund from various other funds are for reimbursements owed for expenditures paid for those funds.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

B. Transfers consisted of the following at June 30, 2008:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds:		
General Fund	\$ 8,692,207	\$ 1,000,000
Special Federal Revenue	-	2,548,159
Total major funds	<u>8,692,207</u>	<u>3,548,159</u>
Nonmajor funds:		
1998 Ad Valorem Tax	-	5,965,632
Title I	-	102,560
Individual with Disabilities Education Act	-	68,919
Preschool Flow-Through	-	2,812
Federal Adult Education	-	1,054
Region IV Education Service Center	-	3,071
Debt Service	433,506	-
Dr. Daniel Dartez Educational Trust	<u>1,000,000</u>	<u>433,506</u>
Total nonmajor funds	<u>1,433,506</u>	<u>6,577,554</u>
Total	<u>\$10,125,713</u>	<u>\$ 10,125,713</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(13) Post-Retirement Health Care and Life Insurance Benefits

In accordance with the Employer Health and Welfare Benefit Plan established in November 1986, the School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. The monthly premiums of these benefits for retirees and similar benefits for active employees are paid jointly by the employee (approximately 40 percent) and the School Board (approximately 60 percent). The School Board recognizes the cost of providing these benefits (the School Board's portion of premiums) as an expenditure when the monthly premiums are due. The School Board's cost of providing these benefits to retirees totaled \$3,186,135 for 2008 and encompasses 644 former employees receiving such benefits as of the end of the year.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(14) Operating Leases

The School Board is obligated under ten operating leases for portable buildings. Four of these leases are for a term of sixty months, beginning July 9, 2006 and August 9, 2006 with a monthly payment of \$800 and six of the leases are for a term of twenty-four months, beginning June 18, 2007, July 31, 2007, and August 14, 2007 with a monthly payment of \$800. Rental expense for the year ended June 30, 2008 was \$93,600.

The minimum future payments for these agreements are as follows:

2009	\$ 96,000
2010	40,800
2011	38,400
2012	<u>1,600</u>
Total	<u>\$176,800</u>

(15) Risk Management

Commercial Insurance Coverage

The School Board purchases commercial insurance for property coverage, general liability, fleet liability, errors and omissions and flood. The deductibles per occurrence for these coverages are \$100,000, \$25,000, \$25,000 and \$25,000, respectively. For the fiscal year ending June 30, 2008, the deductible for property coverage for named storms is 2% of total insured value per building subject to a minimum of \$500,000 per occurrence.

(16) Excess Oil and Gas Revenue Policy

The School Board has adopted a policy on excess oil and gas royalty revenues whereby mineral revenues over \$6,250,000 will be reserved in the following manner:

- A. 50% of the amount over \$6,250,000 is to be placed in the Vermilion Parish Education Public Trust.
- B. 50% of the amount over \$6,250,000 is to be used for employee salary supplements.

For the year ended June 30, 2008 oil and gas royalty revenues did exceed the \$6,250,000 threshold, therefore a transfer was made to the trust and for employee salary supplements.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(17) Non-expendable Trust Fund

On June 11, 1996, pursuant to Louisiana Revised Statute (LSA-RS) 17:81(m), the School Board established the Vermilion Parish Education Trust (a non-expendable trust fund). Trust principal is derived from excess revenues and may not be used for expenditures. Income from the investment of fund principal is restricted to meeting the capital outlay needs of the school system.

The trust is administered by a board of trustees which consists of individuals who occupy the following positions:

- A. Vermilion Parish School Board President
- B. Vermilion Parish School Board Vice-President
- C. Vermilion Parish School System Superintendent
- D. Vermilion Parish School System Chief Financial Officer
- E. Vermilion Association of Educators President
- F. Vermilion Parish School Board legal advisor

The trustees of the Daniel R. Dartez Educational Trust believe that the following asset mixes will produce a pattern of returns over time that will conform to the desired return requirements, risk tolerance and liquidity:

Asset Class	Minimum	Target	Maximum
Intermediate Fixed Income	60%	75%	85%
Equities	15%	25%	35%

Cash equivalents may be held in lieu of equities or intermediate fixed income at the discretion of the investment advisor.

(18) Compensation of Board Members

A detail of the compensation paid to individual board members for the year ended June 30, 2008 follows:

Ira W. Searle, Jr.	\$ 9,600
Angela Faulk	9,600
Dexter J. Callahan	9,600
Ricky LeBouef	10,800
Charles Campbell	9,600
Chris Mayard	9,600
Ricky J. Broussard	9,600
Anthony Fontana	9,600
	<u>\$ 78,000</u>

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(19) New Accounting Pronouncements

In November 2004, the Governmental Accounting Standards Board (GASB) issued Statement 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." This statement requires the accrual of postemployment benefits for retired employees. The School Board is required to implement this standard for the fiscal year ending June 30, 2009. The School Board has not yet determined the full impact that adoption of GASB Statement 45 will have on the financial statements.

(20) Subsequent events

A. Hurricane Ike

During September 2008, Hurricane Ike caused extensive damage to several schools administered by the Vermilion Parish School Board. The School Board is in the process of assessing the damages and the amount of the expected reimbursements from insurance and the Federal Emergency Management Agency (FEMA). Preliminary estimates reflect that the cost of damages will be funded largely by insurance proceeds.

B. Decline in market value

Due to the declining economy, the Trust Fund account of the Vermilion Parish School Board experienced a material decline in market value subsequent to June 30, 2008. The total market value of the Trust Fund account decreased from \$11,070,973 at June 30, 2008 to \$9,556,860 at October 22, 2008, which is a \$1,514,113 decline in market value.

**OTHER REQUIRED
SUPPLEMENTARY INFORMATION**

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2008

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
Revenues				
Local sources:				
Ad valorem taxes	\$ 1,200,000	\$ 1,200,000	\$ 1,356,528	\$ 156,528
Sales taxes	7,200,000	7,500,000	8,340,650	840,650
Other	2,988,000	4,988,000	11,728,243	6,740,243
Total local sources	11,388,000	13,688,000	21,425,421	7,737,421
State sources	40,825,650	40,893,161	40,581,761	(311,400)
Total revenues	52,213,650	54,581,161	62,007,182	7,426,021
Expenditures				
Current:				
Instruction -				
Regular programs	28,322,993	28,975,145	28,960,853	14,292
Special education programs	7,347,161	7,822,917	7,915,236	(92,319)
Vocational education programs	1,952,066	1,984,940	1,921,003	63,937
Other instructional programs	190,060	276,543	256,193	20,350
Special programs	323,666	328,552	1,011,019	(682,467)
Adult and continuing education programs	3,227	3,218	3,229	(11)
Support services -				
Pupil support services	2,519,549	2,617,570	2,704,304	(86,734)
Instructional staff support services	2,381,147	2,402,058	2,613,243	(211,185)
General administration	1,912,952	2,033,510	2,011,392	22,118
School administration	3,554,366	3,683,215	3,634,789	48,426
Business services	748,036	750,336	721,731	28,605
Operation and maintenance of plant services	6,664,105	7,416,050	7,496,477	(80,427)
Student transportation services	3,778,662	4,107,942	3,961,935	146,007
Central services	523,239	554,152	546,248	7,904
Non-instructional services -				
Community service programs	35,000	35,000	36,985	(1,985)
Facilities acquisition and construction	7,045,000	5,797,000	3,660,238	2,136,762
Total expenditures	67,301,229	68,788,148	67,454,875	1,333,273
Deficiency of revenues over expenditures	(15,087,579)	(14,206,987)	(5,447,693)	8,759,294
Other financing sources (uses)				
Transfers in	9,182,339	7,982,339	8,692,207	709,868
Transfers out	-	(1,000,000)	(1,000,000)	-
Total other financing sources (uses)	9,182,339	6,982,339	7,692,207	709,868
Net change in fund balance	(5,905,240)	(7,224,648)	2,244,514	9,469,162
Fund balances, beginning	21,574,960	21,574,960	21,574,960	-
Fund balances, ending	\$15,669,720	\$14,350,312	\$ 23,819,474	\$ 9,469,162

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Special Federal Revenue Fund
Budgetary Comparison Schedule
Year Ended June 30, 2008

	Budget			Variance Positive (Negative)
	Original	Final	Actual	
Revenues				
Federal sources	\$ 7,379,095	\$ 5,897,095	\$ 5,506,905	\$ (390,190)
Expenditures				
Current:				
Instruction -				
Regular programs	3,334,506	3,334,506	2,099,084	1,235,422
Special education programs	113,389	113,389	164,485	(51,096)
Vocational education programs	150,000	133,000	146,502	(13,502)
Support services -				
Pupil support services	6,000	-	51,352	(51,352)
Instructional staff support services	275,200	316,200	439,724	(123,524)
General administration	-	-	10,831	(10,831)
Operation and maintenance of plant services	-	-	1,797	(1,797)
Student transportation services	-	-	21,573	(21,573)
Central Services	-	-	23,398	(23,398)
Total expenditures	3,879,095	3,897,095	2,958,746	938,349
Excess of revenues over expenditures	3,500,000	2,000,000	2,548,159	548,159
Other financing uses				
Transfers out	(3,500,000)	(2,000,000)	(2,548,159)	(548,159)
Net change in fund balance	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	\$ -	\$ -	\$ -	\$ -

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana
Nonmajor Governmental Funds

Combining Balance Sheet
June 30, 2008
With Comparative Totals for June 30, 2007

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals	
					2008	2007
ASSETS						
Cash and interest-bearing deposits	\$ 1,724,622	\$ 202,334	\$ 1,659,494	\$ 1,920,715	\$ 5,507,165	\$ 3,900,281
Investments	-	-	-	9,058,023	9,058,023	9,725,701
Receivables	8,453,654	-	-	92,235	8,545,889	3,322,317
Inventories	108,529	-	-	-	108,529	113,724
Total assets	<u>\$10,286,805</u>	<u>\$ 202,334</u>	<u>\$ 1,659,494</u>	<u>\$11,070,973</u>	<u>\$23,219,606</u>	<u>\$17,062,023</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 81,624	\$ -	\$ 2,176	\$ 8,362	\$ 92,162	\$ 2,085,330
Accrued salaries and related benefits	1,749,688	-	-	-	1,749,688	-
Contract payable	-	-	83,916	-	83,916	-
Retainage payable	63,746	-	14,649	-	78,395	23,843
Due to other funds	7,116,602	-	-	-	7,116,602	2,817,298
Deferred revenue	291,776	-	-	-	291,776	291,777
Total liabilities	<u>9,303,436</u>	<u>-</u>	<u>100,741</u>	<u>8,362</u>	<u>9,412,539</u>	<u>5,218,248</u>
Fund balances:						
Reserved for inventory	108,529	-	-	-	108,529	113,724
Reserved for debt retirement	-	202,334	-	-	202,334	95,472
Reserved for construction	-	-	1,558,753	-	1,558,753	-
Reserved for trust principal	-	-	-	11,062,611	11,062,611	10,326,994
Unreserved	874,840	-	-	-	874,840	1,307,585
Total fund balances	<u>983,369</u>	<u>202,334</u>	<u>1,558,753</u>	<u>11,062,611</u>	<u>13,807,067</u>	<u>11,843,775</u>
Total liabilities and fund balances	<u>\$10,286,805</u>	<u>\$ 202,334</u>	<u>\$ 1,659,494</u>	<u>\$11,070,973</u>	<u>\$23,219,606</u>	<u>\$17,062,023</u>

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2008
With Comparative Totals for Year Ended June 30, 2007

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals	
					2008	2007
Revenues						
Local sources -						
Ad valorem taxes	\$8,583,933	\$ -	\$ -	\$ -	\$ 8,583,933	\$ 8,035,736
Interest income	66,955	4,042	-	-	70,997	140,902
Food services	634,641	-	-	-	634,641	608,984
Other	101,458	-	-	201,212	302,670	1,005,045
State sources	2,531,571	-	-	-	2,531,571	1,125,506
Federal sources	9,038,770	-	-	-	9,038,770	11,179,061
Other commodities	200,049	-	-	-	200,049	201,837
Total revenues	<u>21,157,377</u>	<u>4,042</u>	<u>-</u>	<u>201,212</u>	<u>21,362,631</u>	<u>22,297,071</u>
Expenditures						
Current:						
Instruction -						
Regular programs	2,111,384	-	-	-	2,111,384	2,056,293
Special education programs	1,685,603	-	-	-	1,685,603	1,765,850
Special programs	2,889,701	-	-	-	2,889,701	3,673,962
Adult and continuing education programs	122,780	-	-	-	122,780	112,186
Support services -						
Pupil support services	1,137,190	-	-	-	1,137,190	1,059,487
Instructional staff support services	645,574	-	-	-	645,574	678,735
General administration	391,172	-	-	32,089	423,261	401,368
Operation and maintenance of plant services	123,690	-	-	-	123,690	139,318
Student transportation services	550,682	-	-	-	550,682	468,117
Central services	51,924	-	-	-	51,924	68,125
Non-instructional services -						
Food service operations	4,183,314	-	-	-	4,183,314	3,987,270
Facilities acquisition and construction	1,558,255	-	441,247	-	1,999,502	885,002
Debt service:						
Principal retirement	-	305,000	-	-	305,000	370,000
Interest and fiscal charges	-	25,436	-	-	25,436	37,201
Legal and technical fees	-	250	-	-	250	250
Total expenditures	<u>15,451,269</u>	<u>330,686</u>	<u>441,247</u>	<u>32,089</u>	<u>16,255,291</u>	<u>15,703,164</u>
Excess (deficiency) of revenues over expenditures	<u>5,706,108</u>	<u>(326,644)</u>	<u>(441,247)</u>	<u>169,123</u>	<u>5,107,340</u>	<u>6,593,907</u>
Other financing sources (uses)						
Proceeds from issuance of debt	-	-	2,000,000	-	2,000,000	-
Transfers in	-	433,506	-	1,000,000	1,433,506	393,568
Transfers out	<u>(6,144,048)</u>	<u>-</u>	<u>-</u>	<u>(433,506)</u>	<u>(6,577,554)</u>	<u>(6,277,885)</u>
Total other financing sources (uses)	<u>(6,144,048)</u>	<u>433,506</u>	<u>2,000,000</u>	<u>566,494</u>	<u>(3,144,048)</u>	<u>(5,884,317)</u>
Net change in fund balances	<u>(437,940)</u>	<u>106,862</u>	<u>1,558,753</u>	<u>735,617</u>	<u>1,963,292</u>	<u>709,590</u>
Fund balances, beginning	<u>1,421,309</u>	<u>95,472</u>	<u>-</u>	<u>10,326,994</u>	<u>11,843,775</u>	<u>11,134,185</u>
Fund balances, ending	<u>\$ 983,369</u>	<u>\$202,334</u>	<u>\$1,558,753</u>	<u>\$11,062,611</u>	<u>\$13,807,067</u>	<u>\$11,843,775</u>

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for special revenues that are legally restricted to expenditures for expenditures for specific purposes.

1998 Ad valorem Tax Fund

In January, 1998 Vermilion Parish voters approved a 25.00 mills ad valorem tax dedicated solely for the purpose of increasing the salaries and benefits of school employees to a level comparable with surrounding parishes.

1996 Ad valorem Tax Fund

In April, 1996 Vermilion Parish voters approved a rededication of a 10.00 mills ad valorem tax. The proposition provided that 3.00 mills be used for acquiring and maintaining equipment and supplies for educational and instructional services including library books and textbooks, 5.00 mills for maintaining and improving public school buildings including roof replacement, and heating and air conditioning systems, and 2.00 mills for acquiring and maintaining school buses.

No Child Left Behind (NCLB):

Title I

Title I of the NCLB is a program for economically and educationally deprived school children that is federally financed, state administered, and locally operated by the School Board. Title I services are provided through various projects that are designed to meet the special needs of educationally deprived children. The activities supplement, rather than replace, state and locally mandated activities.

Title II

Title II of the NCLB is a program by which the federal government provides funds to the School Board for projects that are designed to improve the skills of teachers in the areas of mathematics, science, computer learning, and to increase the accessibility of such instructions to all students.

Title III

Title III of the NCLB is a program to help ensure that children who are limited English proficient, including immigrant children and youth, attain English proficiency, develop high levels of academic attainment in English, and meet the same challenging State academic content and student academic achievement standards as all children are expected to meet.

Title IV

Title IV of NCLB is a program by which the federal government provides funds to the School Board for the Drug Free Schools program.

(continued)

NONMAJOR SPECIAL REVENUE FUNDS (continued)

Title V

Title V of NCLB purpose is to support local education reform efforts that are consistent with and support statewide education reform efforts. To provide funding to enable State educational agencies and local educational agencies to implement promising educational reform programs and school improvement programs based on scientifically based research. To provide a continuing source of innovation and educational improvement, including support programs to provide library services and instructional and media materials. To meet the educational needs of all students, including at-risk youth. To develop and implement education programs to improve schools, student, and teacher performance; including professional development activities and class size reduction programs.

Education Excellence Fund

The Education Excellence Fund accounts for restricted revenues derived from the state's tobacco settlement. Expenditures from this fund are restricted to instructional enhancements for pre-kindergarten to twelfth grade students.

Individuals With Disabilities Education Act Fund

The IDEA Fund is a federally financed program of free education in the least restricted environment to children with exceptionalities.

Preschool Flow-Through Fund

Vermilion School Board for providing a free appropriate public education to preschool-age handicapped children.

Federal and State Adult Education Funds

The Federal and State Adult Education Funds are programs for the education of adults, who have not received a high school education. These programs are federally and state financed, state administered, and locally operated by the Vermilion Parish School Board.

School Lunch/Breakfast Fund

The School Lunch/Breakfast Fund is a program that provides nourishing morning and noon meals for students in all grades. This fund is supplemented by both federal and state funds that are based on reimbursement and participation.

(continued)

NONMAJOR SPECIAL REVENUE FUNDS (continued)

Region IV Education Service Center Fund

Pursuant to an interagency agreement with the State Department of Education Executive Office, the School Board serves as the fiscal agent for the Region IV Education Service Center.

Truancy Assessment and Service Centers (TASC) Fund

The TASC Fund accounts for programs to provide for early identification and assessment of truants and the delivery of coordinated interventions to prevent unauthorized school absences.

Temporary Assistance for Needy Families (TANF) Fund

The TANF Fund accounts for the Early Childhood Development program for four year old children considered to be at risk of achieving academic success. The fund also accounts for a Pre GED/Skills Option program designed to provide exit options for students sixteen years or older.

Reading First Fund

The Reading First Fund accounts for programs to provide assistance to school districts to establish research-based reading programs for students in kindergarten through third grade. Districts receive support to apply scientifically based reading research to ensure that all children learn to read well by the end of the third grade.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana
Nonmajor Special Revenue Funds

Combining Balance Sheet
June 30, 2008
With Comparative Totals for Year Ended June 30, 2007

	1998	1996	No Child Left Behind		
	Ad valorem	Ad valorem	Title I	Title II	Title III
	Tax Fund	Tax Fund	Fund	Fund	Fund
ASSETS					
Cash and interest bearing deposits	\$ 218,048	\$ 605,262	\$ 29,818	\$ 7,894	\$ 1,596
Receivables	9,466	3,802	3,012,779	719,569	29,536
Inventories	-	-	-	-	-
Total assets	<u>\$ 227,514</u>	<u>\$ 609,064</u>	<u>\$3,042,597</u>	<u>\$ 727,463</u>	<u>\$ 31,132</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 58,962	\$ 80	\$ 324	\$ -
Accrued salaries and related benefits	-	8,906	502,410	123,777	1,596
Retainage payable	-	63,746	-	-	-
Due to other funds	-	-	2,540,107	603,362	29,536
Deferred revenue	208,411	83,365	-	-	-
Total liabilities	<u>208,411</u>	<u>214,979</u>	<u>3,042,597</u>	<u>727,463</u>	<u>31,132</u>
Fund balances:					
Reserved for inventory	-	-	-	-	-
Unreserved	19,103	394,085	-	-	-
Total fund balances	<u>19,103</u>	<u>394,085</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 227,514</u>	<u>\$ 609,064</u>	<u>\$3,042,597</u>	<u>\$ 727,463</u>	<u>\$ 31,132</u>

No Child Left Behind Title IV Fund	Title V Fund	Education Excellence Fund	Individuals With Disabilities Education Act Fund	Pre-School Flow-Through Fund	Federal Adult Education Fund	State Adult Education Fund
\$ 766 59,349 -	\$ 63 14,483 -	\$ 21,010 - -	\$ 14,624 2,119,840 -	\$ 911 81,929 -	\$ 415 87,008 -	\$ 889 35,982 -
<u>\$ 60,115</u>	<u>\$ 14,546</u>	<u>\$ 21,010</u>	<u>\$ 2,134,464</u>	<u>\$ 82,840</u>	<u>\$ 87,423</u>	<u>\$ 36,871</u>
\$ 2,004 13,616 -	\$ - 637 -	\$ - 21,010 -	\$ 12,418 260,719 -	\$ - 7,803 -	\$ - 415 -	\$ - 9,326 -
44,495 -	13,909 -	- -	1,847,595 -	75,037 -	87,008 -	27,545 -
<u>60,115</u>	<u>14,546</u>	<u>21,010</u>	<u>2,120,732</u>	<u>82,840</u>	<u>87,423</u>	<u>36,871</u>
- -	- -	- -	- 13,732	- -	- -	- -
- -	- -	- -	13,732 -	- -	- -	- -
<u>\$ 60,115</u>	<u>\$ 14,546</u>	<u>\$ 21,010</u>	<u>\$ 2,134,464</u>	<u>\$ 82,840</u>	<u>\$ 87,423</u>	<u>\$ 36,871</u>

(continued)

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana
Nonmajor Special Revenue Funds

Combining Balance Sheet (continued)
June 30, 2008
With Comparative Totals for June 30, 2007

	School Lunch/ Breakfast Fund	Region IV Education Service Center Fund	TASC Fund	TANF Fund	Reading First Fund
ASSETS					
Cash and interest bearing deposits	\$795,119	\$ -	\$ 960	\$ 16,704	\$ 10,543
Receivables	-	89,352	16,281	1,260,000	914,278
Inventories	<u>108,529</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$903,648</u>	<u>\$89,352</u>	<u>\$ 17,241</u>	<u>\$1,276,704</u>	<u>\$ 924,821</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 7,768	\$ -	\$ 68	\$ -	\$ -
Accrued salaries and related benefits	339,386	-	960	292,309	166,818
Retainage payable	-	-	-	-	-
Due to other funds	45	89,352	16,213	984,395	758,003
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>347,199</u>	<u>89,352</u>	<u>17,241</u>	<u>1,276,704</u>	<u>924,821</u>
Fund balances:					
Reserved for inventory	108,529	-	-	-	-
Unreserved	<u>447,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>556,449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$903,648</u>	<u>\$89,352</u>	<u>\$ 17,241</u>	<u>\$1,276,704</u>	<u>\$ 924,821</u>

Totals	
2008	2007
\$ 1,724,622	\$3,302,536
8,453,654	3,214,646
<u>108,529</u>	<u>113,724</u>
<u>\$10,286,805</u>	<u>\$6,630,906</u>

\$ 81,624	\$ 252,446
1,749,688	1,824,991
63,746	23,843
7,116,602	2,816,540
<u>291,776</u>	<u>291,777</u>
<u>9,303,436</u>	<u>5,209,597</u>

108,529	113,724
<u>874,840</u>	<u>1,307,585</u>
<u>983,369</u>	<u>1,421,309</u>
<u>\$10,286,805</u>	<u>\$6,630,906</u>

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana
Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2008
With Comparative Totals for June 30, 2007

	1998	1996	No Child Left Behind		
	Ad valorem Tax Fund	Ad valorem Tax Fund	Title I Fund	Title II Fund	Title III Fund
Revenues					
Local Sources:					
Taxes:					
Ad valorem tax	\$6,131,370	\$2,452,563	\$ -	\$ -	\$ -
Interest income	38,872	12,417	-	-	-
Food services	-	-	-	-	-
Other	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	-	2,691,216	719,569	29,536
Other commodities	-	-	-	-	-
Total revenues	<u>6,170,242</u>	<u>2,464,980</u>	<u>2,691,216</u>	<u>719,569</u>	<u>29,536</u>
Expenditures					
Current:					
Instruction -					
Regular programs	-	710,820	-	515,048	-
Special education programs	-	-	-	-	-
Special programs	-	-	1,547,484	32,867	-
Adult and continuing education programs	-	-	-	-	-
Support services -					
Pupil support services	-	-	597,933	-	29,536
Instructional staff support services	-	-	246,300	138,081	-
General administration	199,351	79,740	72,454	33,573	-
Operation and maintenance of plant services	-	-	43,014	-	-
Student transportation services	-	491,394	31,444	-	-
Central services	-	-	50,027	-	-
Non-instructional services -					
Food service operations	-	-	-	-	-
Facility acquisition and construction	-	1,556,063	-	-	-
Total expenditures	<u>199,351</u>	<u>2,838,017</u>	<u>2,588,656</u>	<u>719,569</u>	<u>29,536</u>
Excess (deficiency) of revenues over expenditures	<u>5,970,891</u>	<u>(373,037)</u>	<u>102,560</u>	<u>-</u>	<u>-</u>
Other financing uses					
Transfers out	<u>(5,965,632)</u>	<u>-</u>	<u>(102,560)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>5,259</u>	<u>(373,037)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning	<u>13,844</u>	<u>767,122</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ 19,103</u>	<u>\$ 394,085</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No Child Left Behind			Individuals With Disabilities			
Title IV Fund	Title V Fund	Education Excellence Fund	Education Act Fund	Pre-School Flow-Through Fund	Federal Adult Education Fund	State Adult Education Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,215
-	-	221,237	-	-	-	35,982
59,349	14,483	-	2,097,755	65,189	87,009	-
-	-	-	-	-	-	-
<u>59,349</u>	<u>14,483</u>	<u>221,237</u>	<u>2,097,755</u>	<u>65,189</u>	<u>\$ 87,009</u>	<u>37,197</u>
-	-	-	-	-	-	-
-	-	57,134	-	-	-	-
-	-	-	1,641,563	-	-	-
-	1,169	191,727	-	-	-	-
-	-	-	-	-	85,583	37,197
59,349	-	62,252	256,980	39,344	-	-
-	10,260	-	73,080	23,033	372	-
-	3,054	-	3,000	-	-	-
-	-	8,789	25,356	-	-	-
-	-	677	26,960	-	-	-
-	-	-	1,897	-	-	-
-	-	-	-	-	-	-
<u>59,349</u>	<u>14,483</u>	<u>320,579</u>	<u>2,028,836</u>	<u>62,377</u>	<u>85,955</u>	<u>37,197</u>
-	-	(99,342)	68,919	2,812	1,054	-
-	-	-	(68,919)	(2,812)	(1,054)	-
-	-	(99,342)	-	-	-	-
-	-	99,342	13,732	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,732</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

VERMILION PARISH SCHOOL BOARD

Abbeville, Louisiana
Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)

Year Ended June 30, 2008

With Comparative Totals for June 30, 2007

	School Lunch/ Breakfast Fund	Region IV Education Service Center Fund	TASC Fund	TANF Fund	Reading First Fund
Revenues					
Local Sources:					
Taxes:					
Ad valorem tax	\$ -	\$ -	\$ -	\$ -	\$ -
Interest income	15,666	-	-	-	-
Food services	634,641	-	-	-	-
Other	5,294	-	94,949	-	-
State sources	925,000	89,352	-	1,260,000	-
Federal sources	2,431,844	-	-	-	842,820
Other commodities	200,049	-	-	-	-
Total revenues	<u>4,212,494</u>	<u>89,352</u>	<u>94,949</u>	<u>1,260,000</u>	<u>842,820</u>
Expenditures					
Current:					
Instruction -					
Regular programs	-	-	-	-	828,382
Special education programs	-	-	-	44,040	-
Special programs	-	-	-	1,116,454	-
Adult and continuing education programs	-	-	-	-	-
Support services -					
Pupil support services	-	-	91,796	-	-
Instructional staff support services	-	86,281	-	53,729	14,438
General administration	-	-	-	-	-
Operation and maintenance of plant services	-	-	3,153	43,378	-
Student transportation services	-	-	-	207	-
Central services	-	-	-	-	-
Non-instructional services -					
Food service operations	4,183,314	-	-	-	-
Facility acquisition and construction	-	-	-	2,192	-
Total expenditures	<u>4,183,314</u>	<u>86,281</u>	<u>94,949</u>	<u>1,260,000</u>	<u>842,820</u>
Excess (deficiency) of revenues over expenditures	<u>29,180</u>	<u>3,071</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing uses					
Transfers out	-	(3,071)	-	-	-
Net change in fund balances	29,180	-	-	-	-
Fund balances, beginning	527,269	-	-	-	-
Fund balances, ending	<u>\$ 556,449</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Totals	
2008	2007
\$ 8,583,933	\$8,032,987
66,955	136,241
634,641	608,984
101,458	102,820
2,531,571	1,125,506
9,038,770	11,179,061
<u>200,049</u>	<u>201,837</u>
<u>21,157,377</u>	<u>21,387,436</u>
2,111,384	2,056,293
1,685,603	1,765,850
2,889,701	3,673,962
122,780	112,186
1,137,190	1,059,487
645,574	678,735
391,172	370,166
123,690	139,318
550,682	468,117
51,924	68,125
4,183,314	3,987,270
<u>1,558,255</u>	<u>885,002</u>
<u>15,451,269</u>	<u>15,264,511</u>
<u>5,706,108</u>	<u>6,122,925</u>
<u>(6,144,048)</u>	<u>(5,883,455)</u>
(437,940)	239,470
<u>1,421,309</u>	<u>1,181,839</u>
<u>\$ 983,369</u>	<u>\$1,421,309</u>

NONMAJOR DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for the payment of bonded debt principal, interest, and related costs.

Certificates of Indebtedness, Series 2002

To accumulate monies for the payment of the Certificates of Indebtedness, Series 2002 issued in the amount of \$645,000. The certificates were issued for the purpose of capital improvements to the print shop/technology center. The bonds are financed by the Dr. Daniel R. Dartez Educational Trust Fund.

Refunding Bonds, Series 2003

To accumulate monies for the payment of the Refunding Bonds, Series 2003 in the amount of \$1,475,000. The Certificates were issued for the purpose of refunding Certificates of Indebtedness, Series 1997, 1998 and 1999. The Certificates are financed by the interest earnings of the Dr. Daniel R. Dartez Educational Trust Fund.

Certificates of Indebtedness, Series 2008

To accumulate monies for the payment of the Certificates of Indebtedness, Series 2008 issued in the amount of \$2,000,000. The certificates were issued for the purpose of constructing and equipping a new gymnasium at Rene Rost Middle School. The certificates are secured by and payable from a pledge and dedication of the excess of annual revenues.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana
Nonmajor Debt Service Fund

Comparative Balance Sheet
June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and interest-bearing deposits	\$ 202,334	\$ 95,472
Accounts receivable	<u>-</u>	<u>758</u>
Total assets	<u>\$ 202,334</u>	<u>\$ 96,230</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Due to other funds	\$ -	\$ 758
Fund balance:		
Reserved for debt retirement	<u>202,334</u>	<u>95,472</u>
Total liabilities and fund balance	<u>\$ 202,334</u>	<u>\$ 96,230</u>

VERMILION PARISH SCHOOL BOARD
 Abbeville, Louisiana
 Nonmajor Debt Service Fund

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance
 For the Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Revenues		
Local Sources:		
Taxes:		
Ad valorem tax	\$ -	\$ 2,749
Interest income	4,042	4,661
Total revenues	<u>4,042</u>	<u>7,410</u>
Expenditures		
Debt service:		
Principal retirement	305,000	370,000
Interest and fiscal charges	25,436	37,201
Legal and technical fees	250	250
Total expenditures	<u>330,686</u>	<u>407,451</u>
Deficiency of revenues over expenditures	(326,644)	(400,041)
Other financing sources (uses):		
Transfers in	433,506	393,568
Transfers out	<u>-</u>	<u>(862)</u>
Total other financing sources (uses)	<u>433,506</u>	<u>392,706</u>
Net change in fund balances	106,862	(7,335)
Fund balance, beginning	<u>95,472</u>	<u>102,807</u>
Fund balance, ending	<u>\$ 202,334</u>	<u>\$ 95,472</u>

NONMAJOR CAPITAL PROJECTS

Capital projects are used to account for capital asset acquisition, construction, and improvements of public school facilities and is currently funded by \$2,000,000 of proceeds from a Certificate of Indebtedness, Series 2008 which is being used for constructing and equipping a new gymnasium at Rene Rost Middle School.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana
Nonmajor Capital Projects Fund

Balance Sheet
June 30, 2008

ASSETS

Cash and interest-bearing deposits	<u>\$ 1,659,494</u>
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LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$ 2,176
Contract payable	83,916
Retainage payable	<u>14,649</u>
Total liabilities	100,741

Fund balance:

Reserved for construction project	<u>1,558,753</u>
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Total liabilities and fund balance	<u>\$ 1,659,494</u>
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VERMILION PARISH SCHOOL BOARD

Abbeville, Louisiana

Nonmajor Capital Projects

Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended June 30, 2008

Revenues	\$ -
Expenditures	
Facility acquisition and construction	<u>441,247</u>
Deficiency of revenues over expenditures	(441,247)
Other financing sources:	
Proceeds from issuance of debt	<u>2,000,000</u>
Net change in fund balance	1,558,753
Fund balance, beginning	<u>-</u>
Fund balance, ending	<u>\$1,558,753</u>

NONMAJOR PERMANENT FUND

Non-expendable trust

Dr. Daniel R. Dartez Educational Public Trust Fund

On June 11, 1996 pursuant to Louisiana Revised Statute LSR-R.S. 17:81(m), the School Board established a nonexpendable trust fund. Trust principal is derived from surplus revenues and may not be used for expenditures. Income from the investment of fund principal is restricted to meeting the capital outlay needs of the Vermilion Parish School System.

VERMILION PARISH SCHOOL BOARD

Abbeville, Louisiana

Nonmajor Permanent Fund

Comparative Balance Sheet

June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and interest-bearing deposits	\$ 1,920,715	\$ 502,273
Investments	9,058,023	9,725,701
Receivables	<u>92,235</u>	<u>106,913</u>
Total assets	<u>\$11,070,973</u>	<u>\$10,334,887</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 8,362	\$ 7,893
Fund balance:		
Reserved for trust principal	<u>11,062,611</u>	<u>10,326,994</u>
Total liabilities and fund balance	<u>\$11,070,973</u>	<u>\$10,334,887</u>

VERMILION PARISH SCHOOL BOARD

Abbeville, Louisiana
Nonmajor Permanent Fund

Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Operating revenues:		
Investment income	\$ 201,212	\$ 902,225
Operating expenses:		
Administration	<u>32,089</u>	<u>31,202</u>
Operating income	<u>169,123</u>	<u>871,023</u>
Other financing sources (uses):		
Transfers in	1,000,000	-
Transfers out	<u>(433,506)</u>	<u>(393,568)</u>
Total other financing sources (uses)	<u>566,494</u>	<u>(393,568)</u>
Net income	735,617	477,455
Fund balance, beginning	<u>10,326,994</u>	<u>9,849,539</u>
Fund balance, ending	<u>\$11,062,611</u>	<u>\$10,326,994</u>

FIDUCIARY FUNDS

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore can not be used to support the School Boards own programs.

Agency Funds

School Activity Fund

The School Activity Fund accounts for monies generated by the individual schools and school organizations within the parish. While the school activity accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and is not available for use by the School Board.

Sales Tax Fund

The Sales Tax Fund accounts for the collection and distribution of sales tax that the School Board has the responsibility of collecting. Effective March 1, 1992, the School Board was appointed the central sales tax collecting agency for all taxing bodies within Vermilion Parish. The cost of collecting the taxes is divided among all of the taxing bodies based upon their respective sales and use tax in relation to the combined total.

Vermilion Parish School Board
 Abbeville, Louisiana
 Agency Funds

Combining Statement of Assets and Liabilities
 June 30, 2008
 With Comparative Totals for June 30, 2007

	<u>School Activity</u>	<u>Sales Tax</u>	<u>Totals</u>	
			<u>2008</u>	<u>2007</u>
ASSETS				
Cash and interest-bearing deposits	<u>\$1,259,223</u>	<u>\$2,517,643</u>	<u>\$3,776,866</u>	<u>\$ 3,219,060</u>
LIABILITIES				
Accounts payable	\$ 13,000	\$ -	\$ 13,000	\$ 13,500
Due to other governmental units	-	1,965,866	1,965,866	1,979,695
Deposits due others	<u>1,246,223</u>	<u>551,777</u>	<u>1,798,000</u>	<u>1,225,865</u>
Total liabilities	<u>\$1,259,223</u>	<u>\$2,517,643</u>	<u>\$3,776,866</u>	<u>\$ 3,219,060</u>

VERMILION PARISH SCHOOL BOARD
 Abbeville, Louisiana
 School Activity Agency Fund

Schedule of Changes in Deposits Due Others
 For the Year Ended June 30, 2008

Schools	Balance	Additions	Deductions	Balance
	July 1, 2007			June 30, 2008
Abbeville High	\$ 97,896	\$ 522,466	\$ 518,611	\$ 101,751
Dozier Elementary	65,918	149,002	139,987	74,933
Eaton Park Elementary	35,257	69,499	66,742	38,014
Erath High	146,373	535,202	538,668	142,907
Erath Middle	136,506	297,817	265,911	168,412
F.I./E. Broussard Elementary	76,229	107,662	109,310	74,581
Gueydan High	78,824	181,369	185,923	74,270
James Herod Elementary	25,392	54,503	56,807	23,088
Indian Bayou Elementary	63,997	90,439	88,255	66,181
J. H. Williams Middle	80,956	116,525	116,270	81,211
Jesse Owens Elementary	26,364	36,101	36,302	26,163
Kaplan Elementary	16,731	106,048	99,377	23,402
Kaplan High	110,355	483,105	468,047	125,413
Maurice Elementary	32,177	118,228	108,867	41,538
Meaux Elementary	10,537	93,322	92,977	10,882
North Vermilion High	101,010	610,629	612,391	99,248
Rene A. Rost Middle	37,787	144,347	154,392	27,742
Seventh Ward Elementary	38,346	75,776	67,635	46,487
Total balances	<u>\$1,180,655</u>	<u>\$3,792,040</u>	<u>\$3,726,472</u>	<u>\$1,246,223</u>

VERMILION PARISH SCHOOL BOARD
 Abbeville, Louisiana
 Sales Tax Agency Fund

Schedule of Cash Receipts and Disbursements
 Years Ended June 30, 2008
 With Comparative Totals for June 30, 2007

	2008	2007
Deposits due others - beginning	\$ 45,210	\$ 11,879
Additions:		
Sales tax collections - parishwide	33,921,776	33,647,087
Interest earnings	56,014	73,048
Total Additions	<u>33,977,790</u>	<u>33,720,135</u>
Beginning balance plus additions	<u>34,023,000</u>	<u>33,732,014</u>
Deductions:		
Transfers to:		
General Fund:		
Sales tax	7,910,317	8,221,543
Sales tax administrative allowance	263,513	186,592
Refunds	133,420	235,339
Interest Earnings	13,831	17,915
Vermilion Parish Police Jury:		
Sales Tax	12,308,111	12,179,031
Interest Earnings	20,746	26,873
Vermilion Parish Sheriff:		
Sales Tax	6,028,683	6,008,680
Interest Earnings	10,156	13,218
City of Kaplan:		
Sales Tax	583,389	632,858
Interest Earnings	967	1,412
City of Abbeville:		
Sales Tax	3,410,134	3,330,578
Interest Earnings	5,688	7,434
Town of Gueydan:		
Sales Tax	218,339	217,027
Interest Earnings	369	492
Town of Erath:		
Sales Tax	271,450	260,613
Interest Earnings	460	584
Town of Delcambre:		
Sales Tax	153,915	149,698
Interest Earnings	256	333
Village of Maurice:		
Sales Tax	495,814	371,487
Interest Earnings	805	963
Vermilion Parish Tourist Commission:		
Sales Tax	132,675	126,344
Interest Earnings	234	296
Hospital Service District #1:		
Sales Tax	1,505,449	1,693,967
Interest Earnings	2,502	3,527
Total deductions	<u>33,471,223</u>	<u>33,686,804</u>
Deposits due others - ending	<u>\$ 551,777</u>	<u>\$ 45,210</u>

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
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* A Professional Accounting Corporation

P.O. Box 1055
Abbeville, LA 70511

Phone (337) 893-7944
Fax (337) 893-7946

OFFICES

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
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621 Main Street
Pineville, LA 71360
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE:
WWW.KCSRCPAS.COM

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Mr. Randy Schexnayder, Superintendent,
and Members of the Vermilion Parish School Board
Abbeville, Louisiana

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Vermilion Parish School Board, (the School Board) as of and for the year ended June 30, 2008, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated November 21, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the School Board's financial statements that is more than inconsequential will not be prevented or detected by the School Board's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the School Board's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or matters that are required to be reported under Government Auditing Standards.

This report is intended for the information and use of management, the Board of Directors, other within the entity, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
November 21, 2008

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621 Main Street
Pineville, LA 71360
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Fax (318) 442-9833

WEB SITE:
WWW.KCSRCPAS.COM

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Mr. Randy Schexnayder, Superintendent
and Members of the Vermilion Parish School Board
Abbeville, Louisiana

Compliance

We have audited the compliance of the Vermilion Parish School Board (the School Board), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2008. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
November 21, 2008

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/ Program Title	Project Number	CFDA Number	Expenditures
<u>United States Department of Agriculture</u>			
Passed through Louisiana Department of Agriculture and Forestry :			
Food Distribution Program	N/A	10.550	200,049
Passed through Louisiana Department of Education			
School Breakfast Program	N/A	10.553	543,789
National School Lunch Program	N/A	10.555	1,829,798
Total for Child Nutrition Cluster			2,373,587
Total United States Department of Agriculture			2,573,636
<u>United States Department of Education</u>			
Passed through State Department of Education:			
Adult Education State Grant Program	28-08-44-57	84.002	81,861
Title I Grant to Local Education Agencies	N/A	84.010	2,691,216
Special Education - Grants to States (IDEA, Part B) *	N/A	84.027	2,097,755
Special Education - District School Improvement *	28-08-PA-57	84.027	74,270
Special Education - Preschool Grants (IDEA Preschool) *	N/A	84.173	65,189
Total for Special Education Cluster			2,237,214
Vocational Education - Basic Grants to States (Perkins III)	28-08-02-57	84.048	146,502
Safe and Drug-Free Schools and Communities - State Grants (Title IV)	N/A	84.186	59,349
State Grants for Innovative Programs	N/A	84.298	14,483
State Wide Positive Behavior	22482	84.323	9,241
English Language Acquisition Grants	N/A	84.365	29,536
Improving Teacher Quality State Grants	N/A	84.367	719,569
Education Technology State Grants (Enhancing Education through Technology Program)			
Consortium Professional Development	28-08-14-57	84.318	206,631
Technology Improvement	28-08-49-57	84.318	40,168
Total for Education Technology State Grants			246,799
Rural Education Achievement Program	28-08-RE-57	84.358	275,687
Reading First State Grants *	28-08-RF-57	84.357	842,820
Hurricane Education Recovery - Restart	28-08-1R-57	84.938A	2,189,418
Hurricane Educator Assistance Program	28-08-HE-57	84.938K	20,407
Total United States Department of Education			9,564,102

(continued)

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule of Expenditures of Federal Awards (continued)
Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/ Program Title	Project Number	CFDA Number	Expenditures
<u>United States Department of Health & Human Services</u>			
Passed through Louisiana Department of Education:			
Temporary Assistance for Needy Families (TANF) - LA4 Starting Points	28-08-EP-57	93.558	<u>5,148</u>
<u>United States Department of Homeland Security</u>			
Passed through State Department of Homeland Security			
Emergency Preparedness:			
Public Assistance Grants *	N/A	97.036	<u>2,602,838</u>
TOTAL FEDERAL AWARDS			<u>\$14,745,724</u>

* Denotes major programs.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2008

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Vermilion Parish School Board (the School Board). The School Board's reporting entity is defined in Note 1 to the basic financial statements for the year ended June 30, 2008. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies. The following programs are considered *major federal programs* of the School Board: Grants to States (IDEA, Part B), District School Improvement, Preschool Grants (IDEA Preschool), Reading First State Grants, and Public Assistance Grants.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's basic financial statements for the year ended June 30, 2008.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2008

Part I. Summary of Auditor's Results:

1. An unqualified report was issued on the basic financial statements.
2. No reportable conditions in internal control were disclosed by the audit of the basic financial statements.
3. There were no material instances of noncompliance.
4. No reportable conditions in internal control over the major programs were disclosed by the audit of the basic financial statements.
5. An unqualified opinion was issued on compliance for the major programs.
6. The audit disclosed no findings required to be reported under Section 510(a) of Circular A-133.
7. The following programs were considered to be major programs:
 - U.S. Department of Education/Louisiana Department of Education –
 - Special Education – Grants to States (IDEA, Part B), CFDA 84.027
 - Special Education – District School Improvement, CFDA 84.027
 - Special Education – Preschool Grants (IDEA Preschool), CFDA 84.173
 - Reading First State Grants, CFDA 84.357
 - U.S. Department of Homeland Security/Louisiana Department of Homeland Security
 - Emergency Preparedness – Public Assistance Grants, CFDA 97.036
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$442,372.
9. The auditee did qualify as a low-risk auditee under Section 530 of Circular A-133.

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

A. Compliance Findings –

There were no compliance findings.

B. Internal Control Findings –

There were no internal control findings.

(continued)

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2008

III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There are no findings and questioned costs related to federal programs.

VERMILION PARISH SCHOOL BOARD

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2008

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
----------	---	------------------------	-------------------------------	---------------------------	------------------------------	-----------------------------------

CURRENT YEAR (6/30/08) --

Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards

Compliance

There are no compliance findings to be reported.

Internal Control Over Financial Reporting

There are no findings to be reported.

Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There are no findings that are required to be reported.

PRIOR YEAR (6/30/07) --

Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards

Compliance

There are no compliance findings to be reported.

Internal Control Over Financial Reporting

There are no findings to be reported.

Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There are no findings that are required to be reported.

**SUPPLEMENTAL SCHEDULES
OF
PERFORMANCE MEASURES**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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C. Burton Kolder, CPA*
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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. Randy Schexnayder, Superintendent
and Members of the Vermilion Parish School Board
Abbeville, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Vermilion Parish School Board and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Vermilion Parish School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was conducted in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

I. General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:

- Total General Fund Instructional Expenditures,
- Total General Fund Equipment Expenditures,
- Total Local Taxation Revenue,
- Total Local Earnings on Investment in Real Property,
- Total State Revenue in Lieu of Taxes,
- Nonpublic Textbook Revenue, and
- Nonpublic Transportation Revenue.

There were no exceptions noted.

II. Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1st.

There were no exceptions noted.

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

There were no exceptions noted.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

There were no exceptions noted.

III. Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

There were no exceptions noted.

IV. Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

There were no exceptions noted.

V. Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

There were no exceptions noted.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

There were no exceptions noted.

VI. Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the class roster as of the MFP date for those classes and determined if the class was properly classified on the schedule.

There were no exceptions noted.

VII. Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Vermilion Parish School Board.

There were no exceptions noted.

VIII. The Graduation Exit Exam for the 21st Century (Schedule 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Vermilion Parish School Board.

There were no exceptions noted.

IX. iLEAP Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Vermilion Parish School Board.

There were no exceptions noted.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion, on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of Vermilion Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
November 21, 2008

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 1
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2008

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities -

Classroom teacher salaries	\$ 26,450,652
Other instructional staff salaries	2,835,127
Employee benefits	8,518,281
Purchased professional and technical services	99,908
Instructional materials and supplies	1,512,978
Instructional equipment	<u>146,804</u>

Total teacher and student interaction activities \$ 39,563,750

Other instructional activities:

500,553

Pupil support activities 2,704,304

Less: Equipment for pupil support activities 2,583

Net pupil support activities 2,701,721

Instructional staff services 2,613,244

Less: Equipment for instructional staff services 10,600

Net instructional staff services 2,602,644

School Administration 3,634,792

Less: Equipment for School Administration -

Net School Administration 3,634,792

Total general fund instructional expenditures \$ 49,003,460

Total general fund equipment expenditures \$ 343,265

Certain Local Revenue Sources

Local taxation revenue:

Constitutional ad valorem taxes	\$ 1,105,796
Renewable ad valorem tax	8,583,933
Debt service ad valorem tax	250,733
Up to 1% of collections by the Sheriff on taxes other than school taxes	<u>8,340,650</u>
Sales and use taxes	<u>\$ 18,281,112</u>
Total local taxation revenue	<u>\$ 18,281,112</u>

Local earnings on investment in real property:

Earnings from 16th section property \$ 8,886,251

State revenue in lieu of taxes:

Revenue sharing - constitutional tax \$ 136,987

Nonpublic textbook revenue \$ 22,472

Nonpublic transportation revenue \$ 71,371

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 2
Education Levels of Public School Staff
As of October 1, 2007

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a bachelor's degree	-	0%	-	0%	-	0%	-	0%
Bachelor's degree	512	80%	6	100%	-	0%	-	0%
Master's degree	92	14%	-	0%	13	39%	-	0%
Master's degree + 30	33	5%	-	0%	15	46%	-	0%
Specialist in education	5	1%	-	0%	5	15%	-	0%
Ph. D. or Ed. D.	-	0%	-	0%	-	0%	-	0%
Total	642	100%	6	100%	33	100%	-	0%

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 3
Number and Type of Public Schools
For the Year Ended June 30, 2008

Type	Number
Elementary	10
Middle/Junior high	3
Secondary	5
Combination	0
Total	18

Note: Schools opened or closed during the fiscal year are included in this schedule.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 4
Experience of Public Principals and Full-time Classroom Teachers
As of October 1, 2007

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant principals	-	-	-	1	4	2	8	15
Principals	-	-	-	-	5	3	10	18
Classroom teachers	57	56	150	97	87	59	142	648
Total	57	56	150	98	96	64	160	681

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 5
Public School Staff Data
For the Year Ended June 30, 2008

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average classroom teachers' salary including extra compensation	\$45,632	\$45,608
Average classroom teachers' salary excluding extra compensation	\$45,323	\$45,298
Number of teacher full-time equivalents (FTEs) used in computation of average salaries	639	637

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees and any teacher on sabbatical leave during any part of the school year.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 6
Class Size Characteristics
As of October 1, 2007

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	73.6%	989	24.9%	334	1.3%	18	0.2%	2
Elementary activity classes	68.9%	133	26.4%	51	3.1%	6	1.6%	3
Middle/Junior high	56.6%	303	39.1%	209	4.3%	23	0.0%	-
Middle/Junior high activity classes	45.5%	50	30.9%	34	23.6%	26	3.3%	-
High	58.4%	576	32.0%	316	9.5%	94	0.1%	1
High activity classes	75.7%	134	14.1%	25	7.4%	14	2.8%	5
Combination	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Combination activity classes	0.0%	-	0.0%	-	0.0%	-	0.0%	-

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 7

Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2008

District Achievement Level Results	English Language Arts						Mathematics					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	30	4%	19	3%	28	4%	39	5%	23	4%	19	3%
Proficient	159	22%	161	25%	106	17%	131	18%	99	15%	109	17%
Basic	345	48%	295	45%	279	49%	355	49%	310	48%	273	47%
Approaching basic	129	18%	110	17%	95	18%	116	16%	125	19%	112	22%
Unsatisfactory	55	8%	64	10%	68	12%	77	11%	91	14%	63	11%
Total	718		649		576		718		648		576	

District Achievement Level Results	Science						Social Studies					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	14	2%	24	4%	18	3%	17	2%	20	3%	11	2%
Proficient	137	19%	131	20%	111	17%	128	18%	121	19%	92	14%
Basic	389	54%	315	49%	293	50%	373	52%	357	55%	333	57%
Approaching basic	140	19%	130	20%	123	24%	136	19%	85	13%	86	17%
Unsatisfactory	38	5%	48	7%	30	6%	64	9%	65	10%	53	9%
Total	718		648		575		718		648		575	

(continued)

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 7 (Continued)
Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2008

District Achievement Level Results	English Language Arts						Mathematics					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	17	3%	6	1%	27	4%	16	3%	31	5%	24	4%
Proficient	90	16%	96	15%	94	15%	27	5%	33	5%	33	5%
Basic	296	53%	339	54%	271	44%	352	63%	346	55%	355	57%
Approaching basic	129	23%	164	26%	187	31%	120	22%	148	23%	140	22%
Unsatisfactory	25	4%	26	4%	34	6%	43	8%	73	12%	72	12%
Total	557		631		613		558		631		624	

District Achievement Level Results	Science						Social Studies					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	8	1%	16	3%	10	2%	2	0%	11	2%	12	2%
Proficient	146	26%	121	19%	105	17%	69	12%	80	13%	74	12%
Basic	233	42%	289	46%	260	43%	285	51%	320	51%	307	51%
Approaching basic	130	23%	155	25%	180	30%	142	25%	150	24%	132	22%
Unsatisfactory	40	7%	50	8%	52	9%	59	11%	70	11%	82	14%
Total	557		631		607		557		631		607	

VERMILION PARISH SCHOOL BOARD

Abbeville, Louisiana

Schedule 8

The Graduation Exit Exam for the 21st Century
For the Year Ended June 30, 2008

District Achievement Level Results	English Language Arts						Mathematics					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	6	1%	4	1%	5	1%	67	13%	34	6%	32	5%
Proficient	75	15%	50	9%	71	12%	114	22%	106	20%	122	21%
Basic	287	56%	267	49%	300	51%	211	41%	225	41%	257	44%
Approaching basic	101	20%	152	28%	141	24%	67	13%	90	17%	90	15%
Unsatisfactory	47	9%	69	13%	66	11%	58	11%	88	16%	82	14%
Total	516		542		583		517		543		583	

District Achievement Level Results	Science						Social Studies					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	14	3%	20	4%	23	5%	1	0%	4	1%	6	1%
Proficient	83	16%	89	17%	70	15%	35	7%	44	8%	28	6%
Basic	217	43%	242	46%	195	40%	284	56%	284	54%	276	57%
Approaching basic	124	25%	114	22%	142	29%	114	23%	123	23%	109	23%
Unsatisfactory	68	13%	62	12%	52	11%	71	14%	72	14%	63	13%
Total	506		527		482		505		527		482	

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 9
iLEAP Tests
For the Year Ended June 30, 2008

iLEAP District Achievement Level Results	English Language Arts						Mathematics					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3												
Advanced	36	5%	33	5%	22	3%	73	10%	40	6%	25	4%
Proficient	149	20%	154	24%	147	23%	125	17%	129	20%	119	19%
Basic	364	49%	295	46%	283	45%	348	46%	311	48%	300	47%
Approaching basic	140	19%	117	18%	113	18%	118	16%	107	17%	134	21%
Unsatisfactory	60	8%	44	7%	70	11%	85	11%	56	9%	57	9%
Total	749		643		635		749		643		635	

iLEAP District Achievement Level Results	Science						Social Studies					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3												
Advanced	34	5%	25	4%	20	3%	41	5%	16	2%	12	2%
Proficient	125	17%	125	19%	112	18%	141	19%	150	23%	115	18%
Basic	366	49%	318	49%	309	49%	361	48%	323	50%	317	50%
Approaching basic	170	23%	138	21%	139	22%	133	18%	100	16%	129	20%
Unsatisfactory	53	7%	37	6%	55	9%	71	10%	54	8%	62	10%
Total	748		643		635		747		643		635	

(continued)

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 9 (Continued)

iLEAP Tests

For the Year Ended June 30, 2008

iLEAP District Achievement Level Results Students	English Language Arts						Mathematics					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5												
Advanced	10	2%	10	2%	11	2%	44	8%	33	5%	27	4%
Proficient	126	22%	98	15%	90	13%	96	17%	86	13%	84	13%
Basic	260	46%	299	45%	290	43%	275	48%	319	48%	355	53%
Approaching basic	113	20%	159	24%	194	29%	91	16%	112	17%	113	17%
Unsatisfactory	59	10%	94	14%	82	12%	62	11%	110	17%	88	13%
Total	568		660		667		568		660		667	

iLEAP District Achievement Level Results Students	Science						Social Studies					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5												
Advanced	19	3%	16	2%	6	1%	34	6%	39	6%	44	7%
Proficient	118	21%	112	17%	95	14%	142	25%	113	17%	118	18%
Basic	271	48%	310	47%	317	48%	288	51%	348	53%	332	50%
Approaching basic	123	22%	171	26%	186	28%	69	12%	99	15%	106	16%
Unsatisfactory	37	7%	51	8%	62	9%	36	6%	61	9%	66	10%
Total	568		660		666		569		660		666	

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VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 9 (Continued)
iLEAP Tests
For the Year Ended June 30, 2008

iLEAP District Achievement Level Results	English Language Arts						Mathematics					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6												
Advanced	11	2%	12	2%	19	3%	42	7%	27	4%	20	3%
Proficient	104	16%	84	13%	110	18%	61	9%	83	13%	82	13%
Basic	325	50%	340	54%	293	47%	361	56%	347	55%	367	59%
Approaching basic	143	22%	140	22%	144	23%	101	16%	106	17%	87	14%
Unsatisfactory	62	10%	52	8%	59	9%	80	12%	65	10%	69	11%
Total	645		628		625		645		628		625	

iLEAP District Achievement Level Results	Science						Social Studies					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6												
Advanced	21	3%	12	2%	11	2%	46	7%	54	9%	40	6%
Proficient	118	18%	110	18%	104	17%	94	15%	77	12%	69	11%
Basic	325	50%	304	48%	282	45%	327	51%	314	50%	310	50%
Approaching basic	134	21%	159	25%	168	27%	105	16%	113	18%	131	21%
Unsatisfactory	47	7%	43	7%	60	10%	73	11%	70	11%	75	12%
Total	645		628		625		645		628		625	

(continued)

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 9 (Continued)

iLEAP Tests

For the Year Ended June 30, 2008

iLEAP District Achievement Level Results	English Language Arts						Mathematics					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7												
Advanced	19	3%	23	4%	30	4%	9	1%	20	3%	18	3%
Proficient	95	15%	111	19%	90	13%	38	6%	65	11%	43	6%
Basic	285	46%	280	47%	326	47%	337	55%	344	57%	371	53%
Approaching basic	171	28%	142	24%	184	26%	146	24%	109	18%	156	22%
Unsatisfactory	46	7%	44	7%	67	10%	86	14%	62	10%	109	16%
Total	616		600		697		616		600		697	

iLEAP District Achievement Level Results	Science						Social Studies					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7												
Advanced	12	2%	6	1%	20	3%	7	1%	6	1%	15	2%
Proficient	72	12%	90	15%	83	12%	67	11%	95	16%	81	12%
Basic	290	47%	271	45%	273	39%	336	55%	321	54%	371	53%
Approaching basic	171	28%	163	27%	231	33%	118	19%	112	19%	133	19%
Unsatisfactory	71	12%	70	12%	90	13%	88	14%	65	11%	97	14%
Total	616		600		697		616		599		697	

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VERMILION PARISH SCHOOL BOARD
 Abbeville, Louisiana

Schedule 9 (Continued)
 iLEAP Tests

For the Year Ended June 30, 2008

iLEAP District Achievement Level Results	English Language Arts						Mathematics					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 9												
Advanced	6	1%	5	1%	4	1%	34	6%	42	7%	34	6%
Proficient	85	15%	79	13%	65	11%	53	9%	92	16%	77	13%
Basic	324	57%	314	54%	299	50%	321	56%	288	49%	298	49%
Approaching basic	128	23%	139	24%	183	30%	98	17%	96	16%	108	18%
Unsatisfactory	24	4%	49	8%	53	9%	63	11%	67	11%	86	14%
Total	567		586		604		569		585		603	